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FINANCIAL TIMES

French elections
Left and right in jobless fight
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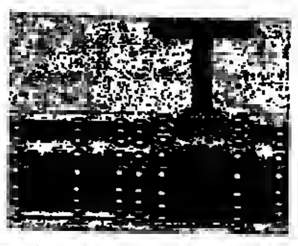

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TOMORROW

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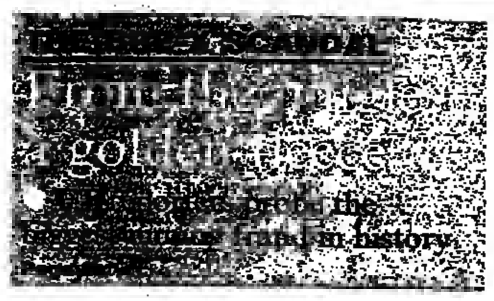

Swiss bank to pay $600m for Dillon Read

Swiss Bank Corporation is to buy Dillon Read, the Wall Street investment bank, for $600m as part of its attempt to become one of the world's leading investment banks. Dillon Read, a partnership which specialises in mergers and acquisitions, is to be merged with SBC Warburg, the investment banking division of SBC, which will be renamed SBC Warburg Dillon Read. The announcement follows the collapse of talks between Dillon Read and ING, the Dutch financial group which owns 25 per cent of the Wall Street firm. Page 19; Editorial comment, Page 17; Lex, Page 18; Analysis, Page 22

Currency launch date: European commissioner for monetary affairs, Yves-Thibault da Silguy, urged that tha introduction of euro notes and coins should be brought foward to autumn 2001 to avoid a January launch chaotically coinciding with the post-Christmas sales. Page 2

Decoder for Europe: Many of Europe's leading cable television groups including Deutsche Telekom have agreed to create a single "black box" decoder for digital cable television systems across continental Europe. Page 18

France wins $2bn Chinese orders

French president Jacques Chirac, pictured above with Chinese opposite number Jiang Zemin on a day when French companies secured agreements worth $2bn including the sale of 30 Airbuses. Page 4

Romanian workers protest: Several thousand Romanian industrial workers marched through Bucharest in the biggest protest so far against the reformist government elected last November. Page 2

Nomura arrests: The Japanese government's investigation into Nomura, the country's largest securities company, gathered pace when Tokyo prosecutors arrested two men alleged to have acted as corporate extortionists. Page 18

Europe at heart of French poll: Europe has returned to the heart of France's parliamentary election campaign, with left and right seeking to close any divisions on the single currency that could be exploited. Page 2

Dutch welcome Labour: Britain will have "more room to produce results in Europe" under Labour, according to Dutch foreign minister Hans van Mierlo. Page 10

Unions warned: Bosch chairman Hermann Scholl warned Germany's unions that wage costs were driving industry abroad. Page 19

● The second part of our new 12-part series, FT Mastering Finance, appears on Monday. Topics include global accounting problems, cash flow forecasting and capital structures.

FT.com: the FT web site provides online news, comment and analysis at http://www.FT.com

■ STOCK MARKET INDICES

New York lunchtime		
Dow Jones Ind Av	7,304.70	(+18.54)
NASDAQ Composite	1,347.97	(+12.42)
Europe and Far East		
CAC40	2,776.01	(+1.36)
DAX	3,562.11	(-11.58)
FTSE 100	4,681.2	(-5.7)
Nikkei	20,056.31	(-153.41)

■ US LUNCHTIME RATES

Federal Funds	$5\frac{11}{16}$%
3-mth Treas Bills: Yld	5.145%
Long Bond	$96\frac{?}{32}$
Yield	6.874%

■ OTHER RATES

UK: 3-mo Interbank	$6\frac{13}{32}$%	(same)
UK: 10 yr Gilt	$102\frac{1}{8}$	($102\frac{7}{32}$)
France: 10 yr OAT	99.39	(99.69)
Germany: 10 yr Bund	102.17	(102.46)
Japan: 10 yr JGB	103.096	(103.168)

■ NORTH SEA OIL (Argus)

Brent Dated	$19.16	(19.07)

■ GOLD

New York: Comex (May)	$347.4	(347.2)
London: close	$346.65	(348.35)

■ DOLLAR

New York lunchtime		
£	1.6455	
DM	1.69425	
FFr	5.7025	
SFr	1.42745	
Y	115.8	
London:		
£	1.6404	(1.6405)
DM	1.6983	(1.7006)
FFr	5.7207	(5.7293)
SFr	1.4343	(1.4405)
Y	116.1	(118.325)
Tokyo close:	Y 116.18	

■ STERLING

DM	2.7858	(2.7898)

Finance minister outlines proposals for revaluation of country's reserves

Bonn plans gold move to support public finances

By Peter Norman in Bonn

The German government yesterdsy took the first steps to using gold reserves to support deteriorating public finances and allow the country to participate in European economic and monetary union from the planned starting date in 1999.

The move came as an experts' report was published predicting a DM118bn ($68.6bn) shortfall in bndgeted revenues between now and 2001.

Mr Theo Waigel, the finance minister, made an unannounced visit to the Bundesbank in Frankfurt to outline government plans for a revaluation of the reserves and a harnessing of the resulting profits to reduce Germany's debt.

Although the minister said the planned move was in line with international practice, it may be seen in other European Union countries as a creative accounting device to achieve the criteria to join the single currency.

Within Germany, it is bound to be seen as a remarkable policy U-turn and securing the necessary change in the Bundesbank law will be no easy task.

The gold price fell after the announcement, and was fixed in London yesterday afternoon at $346.40 per ounce, down from $349.10 a day earlier. After his return to Bonn, the minister firmly denied the government wanted to sell any of the Bundesbank's 95m ounces of gold. "There is no plan to sell one ounce of gold or a single dollar of the monetary reserves," he said.

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Instead, the government proposed that the reserves should be valued more closely to market levels and the resulting gain in the Bundesbank accounts be paid into an existing government fund to reduce debt arising from German unification. The gold reserves are currently valued at DM13.69bn, more than DM40bn below their market value.

Without giving details, Mr Waigel said such a transfer of Bundesbank profits to the "redemption fund for historic burdens" would count towards reducing Germany's public deficit and debt. It was a legitimate use of savings built up over 50 years, he said.

Mr Waigel said the government was also considering a further tightening of controls on public spending, more sales of government properties and would press ahead with plans to sell some of its Deutsche Telekom shares this year to plug gaps in the budget.

In separate talks last night, the parties of Chancellor Helmut Kohl's coalition were discussing emergency measures in the hope of avoiding new increases in indirect taxes, after a the small Free Democrat party indicated it would not accept such a step.

Yesterday got off to a frantic start in Bonn after a newspaper report that the government would seek to harness the nation's gold reserves to plug its deficit. Political activity reached fever pitch after the

Continued on Page 18

German finance minister Theo Waigel firmly denied the government wanted to sell any of the Bundesbank's 95m ounces of gold during a news conference in Bonn yesterday Picture: Reuter

Shares in Internet book shop surge on launch

By Jane Martinson in New York

Shares in Amazon.com, the Internat book shop, surged when trading opened yesterday, as investors showed a keen interest in tha first large web-based retailer to come to the market.

Shares in Amazon, which calls itself the world's largest book store, opened 63 per cent higher than the initial offer price, though they fell later. Tha launch on tha Nasdaq exchange followed one of the most heavily promoted initial public offerings in the US this year.

After the euphoria subsided, Amazon shares – launched at $18 – were trading by early afternoon at $25. At this higher price, the loss-making company was valued at $575m and the holding of Mr Jeffrey Bezos, the company's founder and chief executive, was worth $250m.

The enthusiasm for the offer has increased confidence that the market for initial public offerings, which has been lacklustre in recent weeks, is returning its former strength.

There was so much interest before yesterday's offering that Deutsche Morgan Grenfell, tha underwriters, had increased the size of the offer by 20 per cent to 3m shares when it announced the issue price on Wednesday night.

Over tha past two years, interest in Internet-related companies has led to several successful flotations.

Shares in Yahoo!, which provides a search service, more than doubled on the day they were launched last year.

Enthusiasm for Amazon's shares comes in spite of a reported accumulated deficit of $6m at the end of last year, after sales and marketing expenses rose to $6.1m from

Continued on Page 18

Murdoch woos China on satellite TV

By Tony Walker in Beijing and Raymond Snoddy inLondon

Mr Rupert Murdoch yesterday made a determined bid to persuade China of his good intentions as a partner in satellite television.

The News Corporation chairman used the opportunity of a publishing conference speech in Tokyo to refocus the company's Asian policy. He appealed directly to the Chinese leadership to be allowed to develop satellite television in China in return for learning to "abida by" the rules of what is a one-party state.

Mr Murdoch said China was probably more suitable for the development of digital satellite technology than any other country because of its size, large urban centres and scattered communities.

He said the technology would allow not only entertainment to be offered, but also government information, training, education and medical services.

Mr Murdoch is understood to have resolved to seek a fresh start with Beijing following his assertion in London in 1993 that telecommunications technology was a "threat to totalitarian regimes everywhere".

This prompted China's State Council to issue an instruction warning government agencles against doing business with Mr Murdoch and blocking the spread of satellite dishes. However, the Australian-born tycoon may have secured a "reprieve" with indications the State Council is in the process of rescinding its edict.

News Corp's successful online information technology service with Peopls's Daily, the Communist party newspaper, appears to have helped.

Mr Murdoch has also praised what he described as China's "embrace" of the Internet, the information superhighway "as a means of strengthening its own culture and speeding economic development".

He also admitted yesterday that he had been wrong in believing the Chinese leadership would turn their back on the new information technologies.

Mr Murdoch, whose Hong Kong-based Star TV satellite network is losing $120m a year, faces numerous restrictions in Asia on Star programming.

China, with its effective blacklist of Star, has proved a large stumbling block. Star TV is seeking to persuade Beijing to allow it to disseminate Star programmes via China's rapidly growing cable system. Mr Murdoch said the fact that $2bn had been invested in Star in Hong Kong was "a symbol of our commitment and confidence" in the Chinese market.

He added: "Western companies like News Corporation hava much to learn about doing business there and need to pay special attention to China's unique cultural heritage."

Digital decoder, Page 18

Pan-European indices opened by FTSE partnership

By Philip Coggan in London

A naw set of pan-European stock market indices is being launched through an international partnership between Amsterdam's atock and options exchange and FTSE International.

With Europe moving towards a single market and single currency, investors are becoming increasingly interested in investing in shares on a Europe-wide basis.

Tha FTSE Eurotop 100 and 300 indices, made np of Europe's largest and most liquid stocks, will give investors banchmarks for measuring their performance and will allow them to hedge their market exposure through futures and options trading.

Tha Eurotop 300 is being dubbed tha "Footsia of Europe" in the hope it can recreate the success of London's FTSE 100 index. It is expected that this index will be largely used as a benchmark by international investors, with the 100 index more likely to appeal to retail investors.

Existing benchmarks are too unwieldy to be used in derivatives trading. The FT S&P Europe index, for example, contains more than 700 stocks. It will continue to be used as a benchmark by pension funds.

Options in the real-time Eurotop indices, denominated in Ecus and eventually euros, will be traded on ths Amsterdam market, Europe's largest exchange for trading in equity and index options.

Options on the Eurotop 100 have been traded in Amsterdam since 1991. The index will be rebranded with the FTSE name and relaunched, with FTSE International taking over the calculations. FTSE International is jointly owned by the London Stock Exchange and the Financial Times.

Tha more broadly based Eurotop 300 index will be launched in July, with Amsterdam starting options trading within a year. Discussions are under way with the London International Financial Futures Exchange (Liffe) about trading futures on the indices.

Until now, investors wanting to hedge European share portfolios have had to create artificial indices based on an aggregation of national benchmarks.

Indices fill hole, Page 20

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Monetary affairs commissioner seeks to avoid long period of double circulation

Earlier start to Euro currency urged

By Emma Tucker in Brussels

The introduction of euro notes and coins should be brought foward by several months to the autumn of 2001, to svoid the possible maybem of a January launch coinciding with post-Christmas discount sales.

The idea was floated by Mr Yves-Thibault de Silguy, the commissioner for monetary affairs, who met business leaders yesterday to discuss the practicalities of switching from national currencies to the euro.

Under the current timetable the euro will be introduced in countries qualifying for the single currency on January 1 1999, but only as a unit used by banks and other financial institutions.

Notes and coins are due to come into circulation on January 1, 2002, with national currencies remaining legal tender for another six months.

But yesterday Mr de Silguy, who was warned by consumer groups that a Christmas and New Year introduction of the euro would lead to chaos, said the launch of the notes and coins should be brought forward.

He also warned against the dangers of leaving national currencies circulating for too long, saying that two currencies would generate confusion and extra costs.

"Take for example small businesses that only have one cash register. There are several million such businesses in Europe. How will they be able to manage a prolonged period of double circulation?" he said.

The current handover is seen as lasting six months, but Mr de Silguy said it should be shortened to just a few weeks.

The suggestion went down badly with the European Vending Association. It said that over 3m vending machines needed to be altered to take the euro coin, each alteration taking an bour. The association thinks three years will be needed once a final decision for the coin has been chosen to produce the necessary software and hardware upgrades.

During the day Ms Emma Bonino, the consumer affairs commissioner, called on governments to strip the euro debate of alienating jargon and redouble their efforts to educate consumers.

"We can tell people that there will be macroeconomic benefits from the single currency if we want," she said. "But my mother does not know what macroeconomic is. She wants to know what she will have to do when she goes to buy her vegetables."

She also reminded the meeting that in several countries, such as Italy, the national currency does not divide into "centimes".

"People in these countries will have to relearn bow to count their money," said Ms Bonino.

Mr de Silguy said he would like to be sble to present definitive decisions on issues such as when to introduce the notes and coins and how long to leave national currencies in circulation by May next year.

"Ws must prepare," be said. "There are only 595 days left."

Waigel finds a pot of gold at time of need

Mr Tbeo Waigel, Germany's finance minister, is demonstrating that necessity is the mother of invention.

Bundesbank's Tietmeyer

Hours after confirming that be planned a further sale of Deutscbe Telekom shares to plug gaps in his budget, Mr Waigel yesterday interrupted a busy Bonn day to make a previously unannounced visit to the Bundesbank's fortnightly council meeting in Frankfurt to begin the process of turning at least part of the nation's gold reserves into cash.

Back in Boun by late afternoon, be vigorously denied that he planned to sell any gold. Instead, he plans to upvalne the gold as part of the process of placing the Bundesbank in the planned European system of central banks that will manage the monetary policy of Europe's economic and monstary union from January 1999.

This will yield an extraordinary gain that will be channelled into the "redemption fund for historic burdens", a special federal fund that is used to pay off debt.

Tbe Bundesbank's 95m ounce gold board is valned conservatively at DM13.69bn ($8.1bn) or an average of DM144 per ounce compared with yesterday's market price of DM588. Yesterday, there was a DM42.17bn difference between the value of the gold in the Bundesbank's books and its DM55.86bn value at market prices.

Mr Waigel yesterday insisted that an upvaluation of Germany's gold reserves to a price nearer market levels would be in line with a recommendation of the European M0netary Institute, the forerunner of the planned EU central bank.

The finance ministry, after explaining its ideas to Mr Hans Tietmeyer, the Bundesbank president and other members of the bank's council, will now draw up an amendment to the Bundesbank law in the hope it will pass parliament by summer.

Although the minister said the planned move was in line with international practice, it is bound to be seen as a remarkable policy U-turn in Germany. It is fraught with practical and political difficulties. Securing the change in tbe Bundesbank law will be no easy task.

Gold also bas a special place in the German psyche. Political leaders, from Chancellor Helmut Kohl down, have always rejected selling part of nation's "family silver" whicb they insist sbould be kept for a serious emergency.

Only last year, Germany used similar arguments to block plans to aid developing nations with the sale of gold beld by the International Monetary Fund.

It is uncertain whether politicians or the poblic will sppreciate tbst the difference between gold sales and the planned upvaluation of tbe Bundesbank gold reserves to yield an extraordinary gain. Such action could smack of "crestive sccounting" associated in the public mind with less disciplined nations.

Moreover, government attempts to persuade a sceptical German public that the euro, the planned European single currency, will be as strong as the D-Mark could suffer a crippling blow if the idea spread that moves to release the locked-up value of Germany's gold reserves were necessary to belp Germany meet the Maastricbt criteria for economic and monetary union.

Yesterday in the Bundestag, the lower bouse of parliament, opposition politicians seized on press reports that the government was seeking to tap tbe gold reserves to condemn Mr Waigel's policies.

Ms Kristin Heyne for the Greens warned that selling gold would be the ultimate fire sale. Mr Gregor Gysi, leader of the former-communist Party of Democratic Socialism, said such action should only be considered to deal with a "buge natural catastropbe or famine".

Mr Waigel was unclear yesterday about bow much casb would flow into tbe redemption fund or wben it would flow. However, be said that cash from an upvaluation of tbe gold reserves could he used to help meet both the Maastricht debt and deficit criteria.

When asked a month ago about s possible gold revaluation, Mr Tietmeyer said it depended on wbether gold would be included in tbe European Central Bank reserves. A decision on this and other matters still had to be reached by Europe's central bankers, he said.

Peter Norman

Europe at heart of French poll

By David Buchan in Paris

Europe has returned to the heart of France's parliamentary election campaign, with both left and right seeking to close any divisions on the single currency project that could be exploited by their opponents.

In an interview in today's edition of Les Echos, the Frencb business daily, Mr Jacques Delors – former European Commission president and drafter of the blueprint for the planned single currency, the euro – rejects charges that his Socialist party is trying to renegotiate the Maastricht treaty, which set ont criteria for countries to qualify for monetary union.

Mr Delors said Socialist calls for msmbers of the future currency union to establish an "economic government" to co-ordinate macro-economic policies to snpport monetary policy were in tbe spirit of tbe Maastricbt trsaty, and Article 103 provided for such a co-ordination.

Referring to Socialist calls for Italy and Spain to be among the first members of tbs currency zone, Mr Delors said their participation would provide cultural balance between north and sonth in Europe.

Meanwhile, among Gaullist Eurosceptics, Mr Philippe Séguin is taking a more positivs attitude towards Europe, provided it drops "its monetary obsession" and tackles the more important issue of unemployment. Peopls have come to regard the EU as a job-destroyer, he told a meeting in Nantes earlier this week, and this must change.

Mr Séguin, who opposed last month's early dissolution of the National Assembly of which he was president, is playing an growing role in the centre-right's campaign for the elections - being held in two rounds on May 25 and June 1.

His change of tack may be prompted by awareness that his statements on Europe are watched by the Socialist opposition for divergences from government policy, as well as possibly positioning himself as an alternative prime minister to Mr Alain Juppé. He was greeted in Nantes with cries of "Séguin for tbe Matignon" – ths prime minister's office.

Meanwhile, Mr Jean-Marie Le Pen, National Front leader, told Le Parisien newspaper Mr Chirac's concept of Europe "dominated by Germany and organised into Länder-like provinces, ignoring existing nations, would make Hitler's dream come true".

Juppé has taken a search for jobs to the provinces, writes **David Buchan**

The right is haunted by its earlier employment promises

When he took office as premier two yesrs ago, Mr Alain Juppé promised to cut johlessness in France, then 11.5 per cent. "It is on this we asked to be judged, when the time comes," he said.

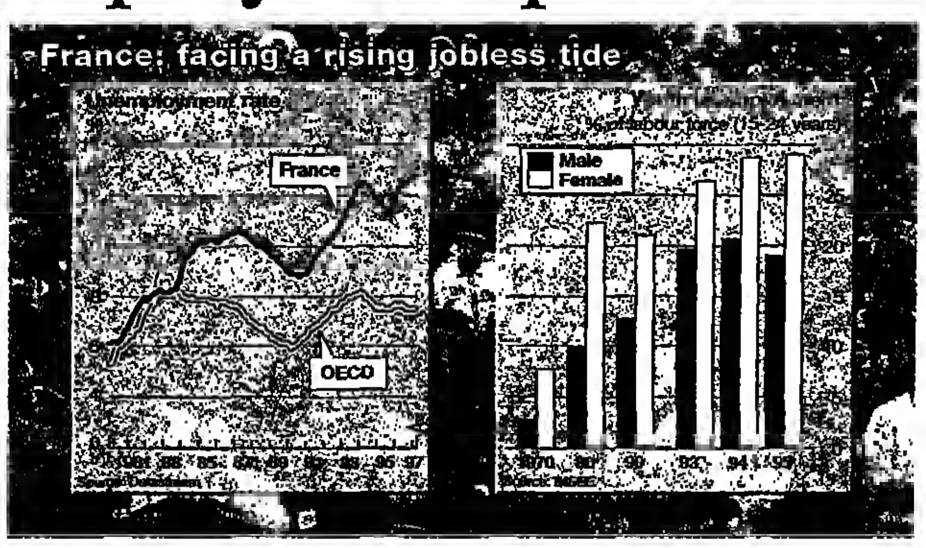
The time has come, and the unemployment rate is 12.8 per cent.

Indeed, unemployment is the one aspect of tbe Juppé government's record that might have been better – because of the acceleration in growth widely predicted this year – if President Jacqnes Chirac bad let tbe National Assembly's term run to its end next spring.

So witb campaigning under way for France's parliamentary elections, Mr Juppé bas been casting around for any proof that he bas turned the unemployment tide. On Wednesday be pounced on tbe Demeyre family furniture business in the town of Perenchies.

The Demeyres – fatber Pierre, son Bernard, both as well upbolstered as the armchairs tbey export to 50 countries – explained to a beaming Mr Juppé bow they bad exploited tbe 1996 Robien law, named after Mr Gilles de Robien, the deputy mayor of neighbouring Amiens. Under this scheme, the state pays 40 per cent of welfare charges of companies that cut working time to save jobs in danger or, in the case of prosperous firms like Demeyre, to create new ones, by 10 per cent.

Mr Bernard Demeyre said this incentive had led him to cut working time from 39 to 35 bours a week and to expand his 411-strong workforce by the required 41 and that he bad even gone on to hire an extra 13. "We need more companies like yours," said a delighted Mr Juppé.



The prime minister made jobs the tbeme of his Wednesday trip to the Nord-Pas de Calais region.

At an evening rally, be admitted the obvious: "I have no magic formula for unemployment." But be claimed that it could be significantly reduced by plugging away at lowering social cbarges – both through the Robien scbeme and new sectoral scbemes whicb be said "we are trying to negotiate with Brussels" – as well as getting more young people into spprenticeships.

On tbe offensivs, be claimed the Socialists' proposal to create 700,000 new youth jobs would drain the state exchequer of FFr50bn ($8.7bn) while their national plan to reduce the standard working week from 39 hours to "35 bours paid at 39 bours" would pusb many companies into bankruptcy.

Out of Mr Juppé's mouth, the jobs strategies of left and right sound very different. But the Socialists, too, have sought to accentuate the difference. They wanted to make a big electoral splash – as President Chirac did in the 1995 presidential race – by putting a big headline figure on the number of jobs they would create. They say this would cost FFr35bn, paid partly by forgoing income tax cuts.

Bnt underneath there is overlap and plagiarism in the employment strategies of left and right. They botb recognise the need to change the way France finances its welfare system.

The financing burden falls almost entirely on the workforce, as a payroll charge on salaries but not on investment or savings income. The baleful consequence is this raises the cost of Frencb labour, pricing the low-skilled out of the market.

For 20 years, Frencb governments of left and right have been trying to shift more of the welfare burden on to taxpayers and the state budget. The Socislists in 1990 created the *contribution sociale généralisée* (CSG), a proper welfare tax on all taxpayers. Since 1993 the centre-right has steadily raised the CSG to reduce payroll charges. Now in 1997, both left and right propose to increase it further, though by differing amounts.

Reduction of working time is an historic demand of the left, which in 1981 cut the working week from 40 to 39 hours with no loss of pay and now proposes to do the same with the move down to 35 bours. Mr Juppé protests this is uneconomic nonsense; yet througb tbe Robien law, his government is subsidising the reduction in working time.

One area of genuine left-rigbt conflict concerns redundancy law, in particular a 1993 law named after Mrs Martine Aubry, the last Socialist labour minister. Her law requires managements to sbow they had tried every other alternative before sscking people, and has led to court actions.

Tbe present situstion pleases no one – neither left nor right, neither unions nor management. The Socialists are now calling for a return to tbe pre-1986 situation, when companies needed government permission for redundancies. The right has sharply criticised this. It believes that if Frencb employers were freer to fire, they might also be freer to hire – but it does not dare say so publicly, with 3.3m still on the dole.

Bruton calls Irish general election

By John Murray Brown in Dublin

Mr John Bruton, the Irish prime minister, yesterday called a general election for June 6, launching a campaign which for tbe first time will see the parties in an outgoing coalition seeking re-election as s government.

Current polls narrowly favour an alternative coalition between the populist Fianna Fail party and the right-of-centre Progressive Democrats (PDs).

However, witb an estimated 20 per cent of the electorate undecided, much will turn on the campaign, and the ability of all the parties to maximise transfers under Ireland's proportional representation system. Ireland's PR system allows voters to use their second and third preferences to indicate the coalition they favour.

At s press conference with leaders of the Irish Labour party and Democratic Left, Mr Dick Spring of tbe Labour party said all parties would campaign on tbeir own policies, but would then "draw the best" from each wben negotiating the programme for the next term.

For Fine Gael, traditionally the party of business, Mr Bruton said the economy was the central issue.

This contrasted with tbe socialism of Mr de Rossa, who attacked the "ravages of the market", warning the PDs would inflict a "dog eats dog" culture on the country.

The alternativs coalition bas its own stresses. This week's meeting between Mr Bertie Ahern, tbe Fianns Fail leader, and Mr Gerry Adams, Sinn Fein president, caused some discomfort for his PD partners, but was seen as a pre-election move to woo Sinn Fein transfers in the key border constituencies.

The campaign is likely to be dominated by local issues, with mainstream politicians forced to adopt many of the green and other single issues typically championed by independent candidates

Mr Bruton, leader of the conservative Fine Gael party, called on voters to support what be called "the partnership government, which is depsndable, dynamic and stands for a decent society."

Mr Prionsias de Rossa, the Democratic Left leader, said the governmant's "capacity to bite its lip on occasions" bad contributed to its success. There was certainly little sign of division yesterday, in a presentation "short on substance".

More tensions could surface, if, as mooted, Fianna Fail call for a new referendum on abortion, an issue on which it takes s less liberal view than the PDs, wbo believe any changes should be dealt with by legislation.

The big issues of Northern Ireland and the European single currency are unlikely to feature in the campaign, and there is little to divide Fine Gael and Fianna Fail on tax, crime and jobs. The campaign is likely to he dominated by local issues, with mainstream politicians forced to adopt many of the green and other single issues typically championed by independent candidates.

The Fine Gael-led coalition holds 84 seats, while Fianna Fail and the PDs have 76, in the 166-member Dail.

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EUROPEAN NEWS DIGEST

Soros Fund quits Belarus

The Soros Fund, backed by US tycoon George Soros, pulled out of Belarus yesterday, saying the authorities had seized $1.78m from its bank account in taxes despite previous assurances it would be exempt from tax. "Today the Belarussian Soros Fund is ceasing its activities because of... financial sanctions against it," the Fund, an international humanitarian foundation which helps post-communist societies, said.

Tax authorities had transferred 77bn Belarussian roubles ($1.78m) from its account st the Belarussian Priorbank to pay the demand, it said. The Fund, which was awarded tax-exempt status two years ago, said it had spent $13m on medical, cultural, educational, scientific and economic programmes in the former Soviet republic of 10m people. Relations with the anthorities worsened in March wben Minsk barred its local executive from entering the country.

He was accused of interfering in Belarus's internal affairs and sponsoring the opposition, including the mass media, which have criticised President Alexander Lukashenko's authoritarian style of ruls. *Reuter, Minsk*

Elf's Paris HQ raided

French fraud squad detectives yesterday raided the Paris headquarters of oil group Elf Aquitaine. Justice sources said the offices were searched on ths orders of investigating magistrates Ms Eva Joly and Mr Laurence Vichnievsky, who are probing alleged fraud involving covert payments mads while Mr Loic Le Floch-Prigent was chairman from 1988 to 1993.

Mr Le Floch-Prigent was released on bail last December after six months in pre-trial custody. The investigation, which began with a close look into the accounts of the failed Bidermann textile group, has widened to touch on financial links between Elf, its Elf Gabon unit and Gabon president Omar Bongo. *Reuter, Paris*

Russian governor's strike plea

Mr Yevgeny Nazdratenko, governor of Russia's troubled Primorsky region in the far east, yesterday pleaded with striking miners to go back to work and end an energy crisis that has plunged the province into misery and protest. The miners, wbose coal is the main source of fuel for the Pacific region's power plants, have downed tools to protest st wage arrears of more than six months.

Their revolt has forced the local electricity generators nearly to a standstill and left most homes in the region without electricity for up to 20 hours a day and with no heating or hot water. Mr Anatoly Kulikov, Russia's interior minister, has flown out to Vladivostok, the capital of the region, to investigate the crisis. Local leaders are hoping the federal government will bail out the increasingly impoverisbed far east and send money to pay the disgruntled miners. *Chrystia Freeland, Moscow*

Macedonia troop strength

Mr Kofi Annan, United Nations secretary general, is pressing to keep UN forces in Macedonia at full strength in response to the continuing turmoil in neighbouring Albania. In a report to the Security Council Mr Annan said recent events in Albania bad demonstrated that stability in the Balkan region remained "extremely fragile".

Pressure last year in particular from Russia had persuaded the Security Council to cut the 1,050-strong UN Preventive Deployment force (Unpredep) by 300, but the action was suspended in early April because of the unrest in Albania. Mr Annan said it would be "imprudent" to change either the size of the force or its mandate at present and recommended a further six month extension to the end of November.

The UN force, which includes troops from the US, Scandinavia and Indonesia, was originally deployed in 1992 to prevent conflicts spreading to Macedonia from elsewbere in former Yugoslavia. *Kevin Done*

More sought on Nazi gold

Senator Alfonse d'Amato, the US Republican politician wbo spearbeaded calls for a probe of Switzerland's war record, yesterday hailed a US administration report on the issue but demanded to know more. Last week's report made it clear that neither the British, the French or the US bad behaved "responsibly, credibly or morally" in negotiations with Switzerland over looted Nazi gold, Mr d'Amato told the Senate banking committee which he chairs.

A 1946 accord obliging Switzerland to hand over $58m in looted gold was shown by the report to be totally inadequate, leaving the equivalent of several billion dollars at today's values in Swiss hands, bs noted. "The world needs to know what happened to the other $3bn in gold that the report says the Swiss National Bank accepted from the Nazis," Mr d'Amato said. He described as "premature" s New York Times editorial saying Switzerland's assets in the US should be frozen if it does not co-operate. *Bruce Clark, Washington*

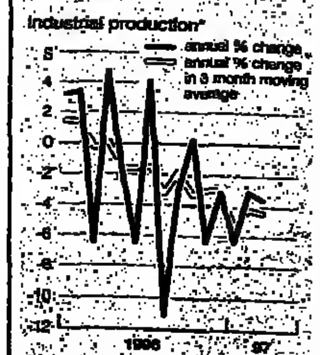
Romanian workers protest

Several thousand Romanian industrial workers marched through the capital Bucharest yesterday in the biggest protest so far against the reformist government elected last November.

Opposition-linked trades unionists billed the march as the start of s "Month of the Yellow Card", of union protests warning the new reformist government to change its policies or be sent off. The marchers demanded cuts in the price of energy and food, liberalised earlier this year, and abandonment of plans to liquidate bankrupt companies. *Anatol Lieven, Bucharest*

ECONOMIC WATCH

Italian production declines



Italy's industrial production in the first quarter was 4.3 per cent down on the same period in 1996, according to Istat, the state statistics institute. In March industrial production was down 3.6 per cent, the fifth consecutive monthly fall if no seasonal adjustment were made. With seasonal factors excluded, average daily production was marginally up 0.3 per cent in January, 2.9 per cent in February and 0.7 per cent in March on the same months last year.

Confindustria, the industrialists confederation, said yesterday the data provided some evidence to suggest the long stagnation in the economy was ending. This view was backed up by a rise in electricity consumption and petrol prodncts in April.

However the timid turn-round is mainly due to the sharp pick-up in the automotive sector, thanks to the introduction in January of a government-sponsored scheme to trade in used cars. *Robert Graham, Rome*

■ Swedish consumer prices were up 0.5 per cent in April from March and up 0.2 per cent from a year earlier, the Central Statistical Bureau reported.

NEWS: EUROPE

Nemtsov eyes reform of Gazprom

Like a lion tamer training an irascible beast, Mr Boris Nemtsov has this week been prodding sticks into the Gazprom gas monopoly to see how it reacts.

Russia's young first deputy prime minister, who has added reformist momentum to the government since his appointment in March, is intent on coaxing his country's biggest company into becoming a more transparent, accountable, market-oriented organisation – benefiting all 150m Russians, not just its 340,000 blessed employees.

But Mr Nemtsov knows if he presses too hard he will provoke Gazprom into lashing out at him; if he is too soft he will simply be ignored.

With one-third of the world's known gas reserves and 25 per cent of the western European gas market, Gazprom should be the main motor of the Russian economy and an unfailing source of government revenue for decades to come.

But in a remarkable television interview on Tuesday, Mr Nemtsov conceded that the state had totally lost control of the partially privatised company, receiving just Rbs20bn ($3.5m) in dividends over the past two years on its 40 per cent shareholding. He vowed to make amends.

The next day a presidential decree was published naming Mr Nemtsov head of a 10-person government board charged with managing the state's shareholding more effectively and overseeing Gazprom's activities.

Packed with heavyweight government officials, the board has considerable powers to open Gazprom up to outside scrutiny and force it to pay billions of dollars in outstanding taxes and pension contributions.

Industry analysts said that the creation of the board was the government's most serious attempt to date to reassert state control over Gazprom and regulate it more effectively.

"There are plenty of clever people around town who can write shopping lists of reforms but I am most impressed by Nemtsov's extraordinary political skill in carrying them through," said one admiring western banker.

But clearly fearful of backing Gazprom into a corner, Mr Nemtsov was all high praise and easy charm when he visited the company's lavish headquarters later that day.

Commending Gazprom's management for maintaining production levels at a time of economic crisis and prising open world gas markets for Russian exports, Mr Nemtsov gushed: "Gazprom is Russia's pride. It is the face of Russia abroad and the government must co-operate in its further development."

Mr Nemtsov's appearance alongside Mr Rem Vyakhirev, Gazprom's chairman, was a fascinating study of personal contrasts. It was immediately visible that the tall, good-looking minister was from a new economic and political generation than Mr Vyakhirev, Gazprom's diminutive, chain-smoking chairman, schooled in the Soviet gas industry for some 35 years.

But Mr Vyakhirev is a wily campaigner, determined to preserve his company's privileges, who can still count on support from his former boss, Mr Victor Chernomyrdin, the prime minister.

In a meeting with the government yesterday, Mr Vyakhirev preempted many of the reformers' proposals by presenting his own restructuring plans.

Gazprom promises to open up its pipeline network to outside producers – including foreign companies – and will demarcate its production and transport businesses more clearly, providing greater cost transparency.

It will also start charging market rates for its gas rather than cross-subsidising different regions and will shed peripheral businesses employing some 100,000 workers.

The government welcomed Gazprom's proposals but Mr Vyakhirev did not appear too troubled by his concessions.

"Considering the scope of our operations, I do not think we will see any rivals until the year 2010," he said. "In order to compete with us a lot of time and lots of money will be needed."

Mr Vladimir Konovalov, chief economist at the Moscow office of the World Bank, says that the government would be crazy to pursue Gazprom too aggressively and try to break it up in the near future, given its central importance in the economy.

But he suggests that the government will succeed in devising better mechanisms to promote competition, improve regulation, and tax the company more fairly – although it will take time.

"There is still some institution-building to be done before Nemtsov can back up what he wants to do," he says.

For the moment, it seems, Gazprom will pad along in roughly the right direction with the occasional growl. But it will take a lot more skill and determination from Mr Nemtsov to make Gazprom start jumping through some hoops.

John Thornhill

Italy's parties grapple with the constitution

By Robert Graham in Rome

Moves to reform Italy's poorly functioning constitution have entered a crucial new phase as discussion moves from the theoretical to forging agreement among the parties on practical changes.

The main source of controversy centres round the creation of a stronger executive, vesting more powers either in a directly elected prime minister or in the president.

But other thorny issues are the reorganisation of the justice system and introducing a more federal structure to the Italian state.

A joint parliamentary commission formed from the chamber of deputies and senate began work in committee in February under the chairmanship of Mr Massimo D'Alema, leader of the Party of the Democratic Left (PDS), the dominant partner in the government.

This week, the various ideas from the four committees were presented for the the first time to a full session of the commission.

Then on Wednesday, Mr D'Alema gave a much-awaited assessment of how he intended to push forward the various proposals.

On the key issue of the powers of the executive, he made it clear that he favoured placing more authority with the prime minister rather than the head of state. He would prefer to see Italy adopt a system based on a British-style prime minister, he said.

However, the prime minister would not be directly elected – rather a party's candidate for premier would have his name on the same voting slip as that of the local deputy and senator.

The prime minister would also acquire the right to appoint and dismiss ministers and dissolve parliament, prerogatives at present held by the head of state.

The rightwing opposition parties are anxious to introduce a "semi-presidential" system, borrowing elements from the French experience.

The president would be directly elected (at present he is chosen by parliament), serve for five instead of seven years, and would appoint his prime minister who would then be responsible for the government programme.

The head of state would also have the right to dissolve parliament at any time, except during the first 12 months of a new legislature.

The D'Alema view reflects the feeling within the centre-left ruling coalition that the head of state should be an impartial figurehead.


Massimo D'Alema: state institutions' inability to cope led to the setting up of his constitution committee

The left is concerned that a semi-presidential system will undermine the role of parliament by allowing the president to establish a direct link with "the people", a prospect aggravated by the unresolved conflict of interest between the role of former premier Silvio Berlusconi as a politician and his control of three TV channels.

This prospect evokes fears of opening the road to authoritarian rule, specifically avoided in the 1948 constitution.

The framers of the constitution were so obsessed with preventing a recurrence of Mussolini-ism that no single institution was given sufficient power to operate efficiently.

The opposition parties headed by Mr Berlusconi's Forza Italia argue that the semi-presidential solution is needed precisely to produce a more efficient executive.

In general, the shake-up of the constitution has been prompted by the increasing inability of state institutions to cope with the needs of a modern democracy. For instance, parliamentary business has been rendered hopelessly time-consuming and complex by each house duplicating the other's functions.

On the table is a proposal to reduce the size of parliament from 945 to 600 (400 in the chamber and 200 senators), and end bi-cameralism.

The lower house would be responsible for legislation, with the senate more a supervisory chamber with a representation reflecting greater regional devolution.

Everyone has deferred to the need to create a federal structure. Mr D'Alema this week said changing the post-war centralist state was "the architrave" of constitutional reform. But details remain exceptionally vague.

Mr Umberto Bossi, leader of the populist Northern League, who talks ever more stridently of secessionism, snubbed on Wednesday an attempt by Mr D'Alema to involve him in discussions on federalism.

Mr D'Alema has staked his political prestige on the commission's success; he knows the main proposals for change must carry a broad cross-party consensus.

To this end, he has sought to build a special relationship with Mr Berlusconi, and is reluctant to close the door on ideas for the executive. But both men are prisoners of their own allies.

If Mr D'Alema moves closer to opposition proposals, he risks serious trouble among his centre-left allies. But equally, the opposition knows if it co-operates to produce a mutually agreeable outcome, the centre-left will be more firmly rooted in power.

Thus the opposition continues to flirt with the idea that constitutional reform is a weapon to bring down the Prodi government.

Lukoil in court threat to Izvestiya

By John Thornhill in Moscow

In a further escalation of a remarkable corporate feud, Lukoil, Russia's giant oil company, has threatened to take the Izvestiya newspaper to court unless it retracts allegations it splashed over its front page yesterday.

Lukoil is currently locked in a fierce struggle with Izvestiya's journalists over control of the liberal newspaper.

The oil company claims it has amassed a majority stake in Izvestiya and wants to exercise its right to remove the editor.

But Izvestiya yesterday disputed Lukoil's claims, saying it has now won sufficient shareholder support to preserve its independence.

For good measure, the newspaper launched an extraordinary attack on the oil company in a front page article entitled "Lukoil: Politics and Business".

In the article, Izvestiya said Mr Victor Chernomyrdin, the prime minister, was behind Lukoil's attempts to remove the editor.

It also alleged that the company was linked to criminal organisations.

Lukoil reacted furiously, denying any links with any criminal organisation and questioning whether Izvestiya's allies did speak for the majority of its shares.

Mr Pyotr Neyev, Lukoil spokesman, said: "This article has nothing to do with reality. From its foundation, Lukoil organised its security service to protect itself from any criminal influence.

"It is staffed with the best professionals who retired from the state security services and these people have done their best to make Lukoil safe. It is the most stable and protected company among oil companies."

Russian newspapers frequently run articles containing the most sensational allegations making it difficult for readers to distinguish fact from fiction.

Nevertheless, Izvestiya's frontal assault on Lukoil seems bound to provoke a scandal.

Izvestiya claims it has forged a new co-operative relationship with the Sidanco oil company and Oneximbank.

But some Russian journalists expressed doubts yesterday about how impartial a line Izvestiya could pursue in harness with such powerful companies.

WORLD TRADE NEWS DIGEST

US encryption deal close

Republican congressmen expect to reach a compromise with the US administration soon on legislation that could free computer companies to sell their most sophisticated data scrambling devices overseas. The Republican House Judiciary Committee chairman, Mr Henry Hyde, said he and the sponsor of the bill, Republican Mr Boh Goodlatte, made good progress in discussions with Clinton administration officials this week on relaxing export restrictions on encryption hardware and software.

The Judiciary Committee approved the bill on Wednesday, but did no work on the disputed section, which falls under the jurisdiction of the House International Affairs Committee. Encryption technology allows computer users to scramble their communications into unreadable code. The US administration has objected to a provision that would allow developers of the technology to export their products without giving law enforcement agencies a way to crack their codes during criminal investigations. *AP Washington*

Refinancing for Indonesia car

The Indonesian car company headed by President Suharto's youngest son said yesterday it would use only abont half of a controversial $1.3bn government-arranged loan to finance a new factory. PT Timor Putra Nasional will take $690m from a consortium of state and private banks, said Timor Putra president Mr Hutomo Mandala Putra. Mr Hutomo, also known as Tommy Suharto, said the company would finance the rest of the cost through operating income and a public stock offering in 1998.

Timor Putra Nasional is at the centre of a dispute over generous tax breaks given to the company, a partnership between Mr Hutomo and Kia Motors of South Korea. Japan has withdrawn threats to take the case to a World Trade Organisation panel next week, saying it wants to give Suharto's government more time to consider changing Indonesia's national car programme. However, the European Union is set to ask the WTO to set up a panel to rule on the programme at a May 23 meeting in Geneva. The EU, Japan and tha US contend the tax breaks discriminate against their carmakers in violation of Indonesia's free-trade commitments. *AP, Jakarta*

Arab satellite profits rocket

The Arah world's main space venture yesterday reported a sharp increase in profits in 1996 as it pressed ahead with plans to launch more commercial satellites. The Arab Space Communications Organisation (Arabsat), holding a general assembly meeting in Amman to discuss its 1996 performance and future projects, said profits surged by around 50 per cent to $32.25m. "This will encourage Arabsat to increase its participation in new communciation development projects among the Arab countries," a statement said.

It provided no figures on 1995 profits, which followed two years of accumulating losses because of the group's failure to exploit fully the channels of satellites it had put in orbit since the mid-1980s. Officials said the high profits in 1996 allowed the company to make cash dividends to shareholders for the first time since it was created in the mid 1970s.

Arabsat, owned by the 22 members of the Arab League, has launched five commmercial satellites, which were put in orbit by Aérospatiale of France. A sixth satellite will be launched by Aérospatiale in 1998. *AFP, Amman*

Smartcard group claims global lead

By Christopher Brown-Humes

An international consortium yesterday claimed to bave taken a decisive lead in the race to deliver a global standard for multi-application smartcards – single chip-based cards which can be used for many purposes.

The consortium said the first consumers would be carrying the new cards within a year, helping them to cut the clutter of plastic in their wallets.

Mr Michael Keegan, chief executive of Mondex International, the leading consortium member, said in London that the development would contrihute to "an explosion" in smartcard use. "This will do for smart cards what Windows has done for the personal computer," be predicted.

Some of the world's best-known smartcard companies and silicon chip manufacturers are part of the consortium, known as MAOSCO. They include MasterCard, Motorola, Siemens, Hitachi, Keycorp, Gemplus and Dai Nippon Printing.

MAOSCO claims to he ahead of Visa, the international payment cards consortium, which is working on a similar project using the JAVA computer language.

The MAOSCO group will market a new operating system for smartcards known as Multos, which will be available on an open basis "to ensure it becomes the standard for smartcard issuers in all sectors including finance, retail, travel, media and telecommunications."

A single card could carry numerous applications, such as a credit/debit purchases, an electronic cash purse,, supermarket loyalty points, a security pass, and a rail pass. Crucially, functions could be changed or updated without re-issuing the cards.

Customers would be able to download new products or services onto the card via a telephone, automatic teller machine, or Internet and issuers could tailor cards for applications of their choice.

Until now plastic cards with embedded chips have been used in a range of pilots and national schemes, hnt these have generally been for a single function, such as stored value cards which can be loaded with money in advance.

Smart move: Mondex executives launch the Multos card. They expect an explosion in the use of smartcards

MAOSCO said the card would have broader applications than financial services – travellers, for axample, could use a card to carry electronic airline tickets, air miles, and hotel vouchers. It said Multos was compatibla with all existing international standards, allowing products from different countries to co-exist on the same card.

Mr Richard Phillimore, vice-president of chipcard business at MasterCard International, said the card would halp the migration from magnetic stripe to chip cards. "In 10 years' time virtually all cards will have chips and virtually all terminals will accept chip cards," he said.


Presidents Jacques Chirac and Jiang Zemin signal their 'hands on' approach to a new trade partnership *Reuter*

France wins Chinese orders worth $2bn

By Tony Walker in Beijing

Mr Jacques Chirac, basking in Beijing's praise over his "wise" stand on human rights, yesterday sought to thrust France to the forefront of countries engaged in business with China.

"China must be one of our main partners," Mr Chirac told the French Chamber of Commerce in Beijing on a day when French companies were successful in securing business agreements worth abont $2bn, including the sale of 30 Airbuses.

France's president, who is leading a 60-strong business delegation, has made it clear that his mission is to secure a bigger share of the Chinese market for French industry.

Mr Chirac lamented the fact that France languishes as China's 13th trading partner. Two-way trade fell in 1996 to less than $1bn, according to Chinese customs statistics, a fraction of business between China and the US.

President Jiang Zamin made it clear that Beijing appreciated France's opposition to attempts to forge a European consensus condemning China's attitude to human rights at a United Nations conference in Geneva last month.

A Chinese foreign ministry spokesman said Mr Jiang had, during a long meeting with Mr Chirac, "expressed appreciation for France's wise decision on the issue of human rights".

China's praise for France's help in neutralising criticism of its human rights record set the stage for the signing of a number of commercial agreements yesterday.

These included:

- China's order for $1.5bn worth of Airbuses, including 10 A320s and 20 A321s;
- A framework involving China, Airbus Industrie, Alenia of Italy and Singapore Technologies to build a 100-seater aircraft in China;
- The purchase of fiva ATR-72 commnter turhoprop commuter aircraft with options for five more;
- A $75m extension to a large cement works near Beijing in which Lafarge of France has a controlling interest;
- A $87m agreement in which Rhône-Poulenc is to build a pesticide plant in Hangzhou, south of Shanghai.

China also announced it would permit Axa UAP, the giant French insurance company, to begin direct business in China. Axa becomes one of a small handful of foreign insurance companies allowed to engage in business in China.

Mr Chirac, whose visit will last until May 18, is due to sign a communiqnê with Chinese leaders which will express joint Sino-French aspirations for the development of political and economic ties.

Beijing sees value in such joint statements of common purpose to counter what it regards as US attempts to dominate events. Beijing regards closer relations with Europe as a way of balancing its troublesome ties with Washington, which tend to fall prey to arguments concerning trade matters and human rights.

AFP reports from New Delhi: Air India will decide next month whether to give an order for 23 aircraft worth $2bn to Airhus or Boeing. The choice will be made at a board meeting next month. Airbus is offering its A340s while the Americans have offered the Boeing-777.

Plea to WTO on property rules

By Mark Suzman in London

Property investments account for as much as 20 per cent of the $350hn in annual global foreign direct investment flows, hut are held back by complex and incompatible national property regulations.

According to a study published yesterday hy the Economist Intelligence Unit, while the lack of data makes accurate measnrement impossihle, property transactions represent hetween 5-20 per cent of all foreign direct investment (FDI).

However it found that the wide diversity in property valuation techniqnes and standards, tenure rights and local regulations severely restricted new investment.

"A variety of property valuation methods exist, hnt there is obviously a growing necessity for a consistent international valuation methodology," the report said.

"Such a consistent international benchmark for property valuation is needed for accounting purposes by both direct and portfolio investors, as a performance measure and as a basic requirement for any property market."

The study called on the World Trade Organisation to ensure international guarantees of property rights and a transparent set of standards for property investments.

Mr Jeremy Bayliss, president of the Royal Institution of Chartered Surveyors, wbich commissioned the report, said it showed that property issues needed to be placed explicitly on the international trade agenda.

"This report highlights the need for those developing multilateral agreements on investment to take account of the property sector so that investors, particnlarly foreign direct investors, have a more stable and transparent regime in which to operate," he said.

The report found that in Europe, the share of property in inward FDI inflows flnctuated between 17 per cent in 1985 and 7 per cent in 1992.

Global Direct Investment and the Importance of Real Estate, Economist Intelligence Unit, 15 Regent St, London SW1Y 4LR

Brazil urges 'realism' in all-America trade talks

By Geoff Dyer in Belo Horizonte, Brazil

The Brazilian government said yesterday it was unrealistic to start talks on reducing tariffs for the whole of the Americas until the US government had won so-called "fast track" authority from Congress to negotiate a deal.

Mr Luiz Felipe Lampreia, Brazil's foreign minister, said "no sane country would negotiate twice" over tariff reductions. Unless it gives "fast track" approval, the US Congress has the power to amend any treaty the government signs.

Mr Lampreia was speaking during a meeting of trade ministers from 34 countries discussing the creation of a Frea Trade Area for the Americas (FTAA) by the year 2005.

His words were echoed by Brazil's President Fernando Henrique Cardoso, who said on Wednesday nigbt: "As long as President Clinton does not have authorisation from Congress, the talks are imaginary."

The comments followed an acknowledgement by the White House that it will be difficult for Mr Clinton to get fast track approval from Congress this year.

"It would be preferable for the president to have 'fast track' authority by October," when he is due to visit South America, Mr Michael McCurry, White House spokesman, said. "But we will have to take into account what the congressional calendar is and see whether that is possible."

Mr William Daley, US commerce secretary, said there was no reason why negotiations could not start before "fast track" bad been granted. "Tbe Uruguay round of talks at Gatt went on for several years without 'fast track'," he declared.

The dispute came as US and Brazilian diplomats continued to disagree on the structure of future negotiations for the FTAA. The US, backed by Canada, wants to begin talks on reducing tariffs after the heads of state summit in Chile next March.

"We want to craft measures, to make business easier to do, early in the game. We want to launch talks on all areas at Santiago next year," Mr Daley said.

However Brazil, speaking on behalf of the Mercosur trade grouping, wants to taka a more gradual approach, starting with talks on non-tariff barriers, leaving talks on market access and tariffs to the year 2003.

Brazil, which made significant tariff reductions in the early 1990s, argues its economy is not ready for another sbock. Brazilian diplomats say they want a clearer signal about US willingness to reduce tariffs on a number of agricultural producta, including orange juice, before starting talks.

Fast-growing local market attracts western drugs factory

Searle builds Russian plant

By John Thornhill in Moscow

Searle, the US drugs group, will today launch the first pharmaceuticals plant in Russia designed to matcb international quality standards.

The $30m investment highlights how foreign pharmaceuticals companies are warming to the fast-growing Russian market and are beginning to see the advantages of establishing a local manufacturing basa to replace imported drugs.

Mr Richard De Schutter, Searle's chairman and chief executive, said there were great opportunities for western companies to expand in the Russian market because of the small scale of the domestic pharmacenticals manufacturing sector.

"In Soviet times, Russia farmed out most of its pharmaceuticals production to Hungary, Czechoslovakia, and east Germany. Only about 40 per cent of the total pharmaceutical needs were produced domestically," he said yesterday.

Searle, part of the Monsanto group, plans to manufacture a range of cardiovascular, gastro-intestinal, and anti-infective drugs at the 65,000 sq ft plant, due to open in 1999. The company has already won regulatory approval for 17 of its prescription drugs.

The plant, at Izvarino, 15km south-west of Moscow, will be developed in collaboration with a Russian partner, the All-Russian Centre for Molecular Diagnostics and Therapy, which is part of the Biopreparat organisation.

The project has blossomed with the encouragement of the Gore-Chernomyrdin commission, which identified the bealth sector as a fruitful area for investment. The commission was established in 1993 by Mr Al Gore, the US vice president, and Mr Victor Cbernomyrdin, Russia's prime minister, to promote bilateral business ties.

Mr De Schntter said Searle had been selling drugs in Russia since 1989 but felt it was now time to establish a manufacturing presence to help develop the local market. Russia's ministry of health is likely to increase tariffs on imported drugs to encourage foreign pharmaceuticals companias to invest in local manufacturing plants.

In future, Searle may also seek to take advantage of Russia's medical research and development skills by working on collaborative projects. "We have been extremely impressed by the calibre of scientific research in many areas, including radiation medicines and oncology," Mr De Schutter said.

"Russia is an absolutely unique market and that is one of the things that is so attractive for us. In a few years' time it will be ona of the top 10 pharmaceuticals markets in the world," he said.

- The Swedish construction group Skanska said yesterday its Finnisb subsidiary Skanska Oy and its 50-50 British partner Taylor Woodrow won a $251m order to build a commercial centre in St Petersburg.

"The new 150,000 square meter transportation and commercial centre is the first step towards the establishment of a new express railway service linking St Petersburg with Moscow," Skanska said.

"In addition to the terminal, the project includes a new three-star hotel, offices, residences and parking facilities."

The companies [illegible] order from Russia's [illegible] Speed Railway Shareholding Company. Financial support is expected from Britain's Export Credit Guarantee Department.

Work on the project will begin as soon as the financial agreements are completed, Skanska said.

LEGAL NOTICES

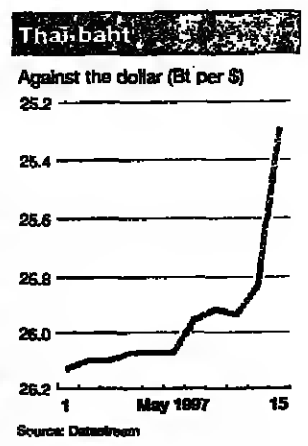
No. 001630 of 1997
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
IN THE MATTER OF PEX PLC
- and -
IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 23 April 1997 confirming the reduction of the share capital of the above named Company from £7,665,017.32 to £2,875,000.00 and the reduction of the share premium account of the above named company by £2,870,315.91 was registered by the Registrar of Companies on 30th April 1997.

Dated this 16th day of May 1997
ASHURST MORRIS CRISP
Broadwalk House
5 Appold Street
London EC2A 2HA
Our Tel: 0171 638 1111
Our Fax: 0171 972 7990
Ref: NJN/U12200016/239966
Solicitors for the Company

IN THE MATTER OF
J & H KYRRIS - Partnership
NATURE OF BUSINESS - FAST FOOD RETAILERS
In accordance with Rule 2.10 of the Insolvency Rules 1986, we, Ian C Schofield, Michael I C Oldham and Derek J Oakley give notice that we were appointed joint administrators of the partnership by order of the High Court on 28 April 1997.
IAN CHRISTOPHER SCHOFIELD Joint Administrator
Dated 1 May 1997

Thai baht recovers as Tokyo signals support



By Ted Bardacke in Bangkok

The Thai baht made a significant recovery yesterday, buoyed by soaring domestic interest rates and the prospect of an intervention by the Bank of Japan to support the embattled currency.

Traders who on Wednesday forced the Thai currency to its lowest level against the US dollar this decade said the respite was only temporary as Thailand's slumping economy would ha unable to survive sustained high interest rates.

The baht's stout performance yesterday was partly drivsn by the realisation that co-ordinated intervention by regional central banks to support the baht was now a real prospect.

Bank of Japan officials yesterday said they would consider a reqnest, if one was officially made, to intervene to support the baht in regional currency markets under an agreement signed last year. On Wednesday, the Monetary Autbority of Singapore helped tbe That central bank intervene in foreign excbange markets.

Overnight offsbore rates for the baht shot up to over 1,000 per ceot as the Bank of Thailand asked local banks not to lend baht to foreign clients for much of the day. As a result the baht strengtheoed to Bt25.40 to the US dollar, compared with Wednesday's close of Bt26.30.

Gen Chavalit Yongchalyudh, the prime minister, said that Mr Amnauy Viravan would remain in his joh as finance minister and that Mr Amnuay and the Bank of Thailand would announce "additional measures to promote confidence in the Thai economy and financial institutions as well as measures to increase its liquidity".

"The central bank has shown it is ready to take the right intensity of measures and steps to curb speculation, even to the point of hurting local players and punishing purely commercial transactions," said Mr Kobus Vanderwath, regional head of treasury economics at Standard Chartered Bank in Singapore. "Speculstors have to beware because it could be a painful exercise."

But even those who got hurt yesterday say the battle over the baht between speculators and regional central banks is far from over, as evidanced by forward premiums for tha baht continuing to soar and the fact that the baht closed outside the central bank's rigid trading band for the sixth day out of the last 10.

ASIA-PACIFIC NEWS DIGEST

Kim's son faces arrest in Korea

The son of Mr Kim Young-sam, the South Korean president, is expected to be arrested on corruption charges as early as today in a further blow to his father's beleaguered administration. Mr Kim Hyun-chol yesterday appeared before prosecutors to be questioned on allegations that he engaged in influence peddling for telecommunications and broadcasting licences issued hy the government.

The junior Kim, who was regarded as one of the father's closest advisers, admitted accepting money from businessmen hut denied ths fund were bribes, according to prosecutors. Prosecutors believe the president's son amassed s slush fund of at least $13.5m, which was managed by close associates through a complex web of bank accounts and stock investments. Opposition parties claim he also had access to unspent funds from his father's 1992 election campaign. *John Burton, Seoul*

Lee apology for Taiwan crime

Taiwan'a president, Mr Lee Teng-hui, yesterday accepted responsibility for a perceived decline in the country's public security situation following a spate of gruesome killings as yet unsolved. In a rare press conference, Mr Lee said he felt saddened the crimes had sown public fears. "It is my duty to offer my apology to the public," he said. But he said Taiwan was still a relatively safe place to live. Mr Lee'a remarks, coming a day after a partial cabinet reshuffle provoked by popular outcry, were meant to appease dissatisfaction with the government's handling of the murders. The premier, Mr Lien Chan, and his cabinet face fierce criticism over violent crimes that investigators have failed to crack, including the gangland-style execution of a county magistrate and seven colleagues, the murder of a prominent women's rights activist and the kidnap-murder of an actress's daughter. *Laura Tyson, Taipei*

Japanese bankruptcy record

The value of Japanese bankruptcies hit a record high of Y2,165bn ($18.2bn) in April, according to Teikoku Databank, a credit research agency, in the latest reminder of tha continuing weakness of the country's smaller financial institutions.

Liabilities left by corporate failures rose by 533 per cent against the sama month last year, largely because of a single spectacular collapse: the Y1,187bn demise of Crown Leasing, an affiliate of the troubled long-term lender, Nippon Credit Bank. The number of corporate failures was unusually high at 1,378, nearly 19 per cent more than a year ago and the fourth monthly increase in a row. Teikoku Databank expects the corporate casualty rate to continua in coming months. *William Dawkins, Tokyo*

Tokyo considers cutting aid

Japan, formerly the world's biggest aid donor, is considering further cuts in its official development assistance, Mr Yukihiko Ikeda, foreign minister, warned yesterday in one of the clearest official admissions yet of strains on the aid bodget. "Due to budgetary difficulties, developmental assistance cannot be expected to grow by leaps and bounds," he told a conference on Asian regional development. The Japanese government is studying other types of assistance, such as improving access to the Japanese market for developing country imports.

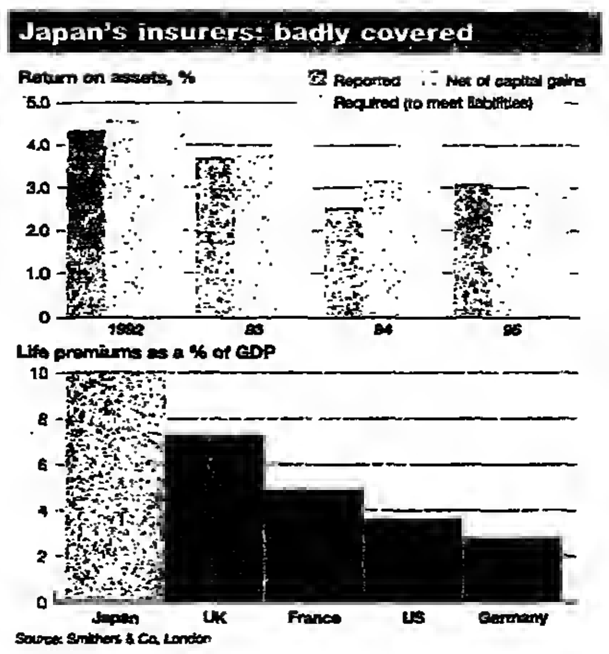
Mr Ikeda's remarks represent a shift in policy on aid spending, formerly seen as immune from hudget cuts because it is one of the few contributions by Japan to influence the developing world. in the year to last March, Japanese aid spending fell 35 per cent to $9.6bn, the first fall in seven years. *William Dawkins, Tokyo*

Department store sales fall

Sales at Tokyo department stores plunged an annual 14.4 per cent to Y166bn ($1.4bn) in April, following the April 1 increase in sales tax from 3 to 5 per cent, the Japan Department Stores Association said yesterday. Retailers had been braced for the impact of the sales tax increase in April, which they expect will dampen sales and cut into earnings. *Gwen Robinson, Tokyo*

Japan's life insurers struggle for credibility

Insurance salesman and consumer clients saw signs of changing times in Japan yesterday. Nissan Motors and Hitachi, bucking corporate tradition, indicated their reluctance to help bail out Nissan Mutual, a fellow member of ona of Japan's corporate groupings, which last week became the first insurer in Japan to collapse since 1945.



The worries of policyholders are apparent at the Tokyo office of the rating agency Standard and Poor's. It has been fielding calls from salesmen and customers worried about the security of other insurers – and asking whether they are abont to follow Nissan Mutual. "Getting all these calls is something completely new for us. It shows the level of concern," says Mr David Collins, of S&P.

The reason for the concern is clear. When the government announced last month that it would close Nissan Mutual because it was about to post a Y200bn ($1.6hn) capital deficit and Y52.5bn loss, the financial world was startled. Observers had assumed the government would never let any insurance group fail. And though Nissan Mutual is only a medium-sized group, its problems highlighted the poor health of the life insurance sector.

The concern also hints at a broader shift under way. Japan's Y240,000bn pension sector bas traditiooally beeo shielded from market – and consumer – pressure. But Nissan Mutual's collapse suggests Japanese companies are starting to exercise a new form of customer power: they are choosing not to place their pension money with weaker companies.

"Jspanese companies are becomiog more selective about where they put their money. They have been cancelling contracts at groups they are worried about, like Nissan Mutual, and tbis trend is continuing," says a fund manager.

The move is s striking break with tradition. Previously Japanese companies bad placed tbeir pension money with trust banks or life insurance companies which were usually members of the same *keiretsu*, or corporate group.

But public and corporate pensioo fund managers realise that this pattern may not be yielding the best results. This is because:

- Many pension funds are underfunded – meaning that companies need to make their pension money work mnch harder.
- Financial deregulation has made it easier for companies to place their money in other companies. Company pension funds managers will soon be required to provide more accurate disclosure of their pension fund investment record – making it more difficult to disguise underperforming funds.
- Third, and most important, life insurance companies have begum to look like bad investment vehicles. During the beady period of expansioo in the 1980s, life insurance groups earned high returns on their own investments, and so offered policy bolders guaranteed returns of 4.5 per cent or more. This was attractive compared with trust banks, which had returns of about 5 per cent that were not guaranteed. With interest rates on a downward trend, life insurance gronps could no longer afford these high payouts and faced a severe business squeeze. Last year they cnt returns from 4.5 per cent to 2.5 per cent.

In spite of these pressures, companies continue to place most of their funds with traditional partners. But tbe proportion placed outside "partner groups", and life insurance companies in particular, is rising.

"We do not like this trend [of cancelled policies], hut it is likely to continue," said an official of the Life Insurance Industry of Japan.

In the 1995 fiscal year, for example, the government's Pension Welfare Service group cut the money it placed in fixed accounts of life insurance companies by 9 per cent. In fiscal 1996 this trend gathered pace. Industry observers say the life insurance industry probably lost about Y7,000hn worth of funds.

Some of this money may have moved to trust banks. However, a large proportion appears to have also gone to a third player – investment advisers, who are a relatively new arrival on Tokyo's pension scene.

The question is what will happen this year. Pension fund managers are deciding where to allocate their 1997 financial year portfolios – and if they continue to withdraw funds from the life insurance sector they could create further pressures.

Life insurance groups are battling uphill to stop this trend. That will depend on the ministry of finance persuading the public and companies that life insurers are now safe. However, revelations that the ministry knew of Nissan Mutual's problems a year before its closure has provoked fierce criticism. Ministry officials insist Nissan Mntual's losses were an isolsted case. bnt analysts beheve at least three other insurers may be at risk.

Meanwhile, there is still no clear solution on Nissan Mntual. Although a Y200bn industry policy-protection fund exists, it may not be enough to meet all liabilities. The ministry is trying to persuade stronger life groups and companies to help bail out Nissan Mutual. But their reluctance hints that some sectors of corporate Japan may be changing their ways.

Gillian Tett

Tung tones down curbs on protests and party funding

By John Ridding in Hong Kong

Hong Kong's future government yesterday softened its controversial proposals to tighten controls over demonstrations and political parties after the territory returns to Chinese sovereignty on July 1.

But the amendments failed to satisfy critics from the pro-democracy camp, who described the changes as technical and insufficient to ensura the protection of civil liberties. Mr Chris Patten, governor of Hong Kong, said the future administration had still not made a case for changing existing laws.

Planned changes to laws on demonstrations and political organisations have emerged as a serious test for Mr Tung Chee-hwa, the territory's post-colonial leader. He says new laws are needed to avoid a legal vacuum after China's National People's Congress struck down laws introduced by the Hong Kong administration. But his initial proposals drew strong criticism from a broad range of political parties and from outside the territory.

Unveiling modified proposals, Mr Michael Suen, secretary for policy co-ordination in the incoming administration, said that public concerns expressed during a three-week consultation period had been addressed. He said that the oew proposals would be submitted this weekend to the provisional legislature, which replaces the existing Legislative Council in July. Backing from the pro-business Liberal party, which had criticised the original proposals, suggests the process will be relatively smooth.

Chief among ths amendments, said Mr Suen, was that police would be given the discretion to allow demonstrations on short notice. Tbs draft proposals required that demonstrators submit applications seveo days before the event or two days before in exceptional circumstances. Ha said a proposed ban on the funding of political parties from overseas had also been relaxed to allow donations from individuals.

Under the new laws, demonstrations can still be banned if they are deemed to threaten national security. These grounds will be spelled out in guidelines to be issued to the police commissioner. But Mr Suen signalled they would include demonstrations in favour of independence for Taiwan and Tibet.

Officials in Mr Tung's office claimed the arrangements for demonstrations would not differ significantly from the existing regulations, which simply rsquire ootification. They said that civil liberties would not be undermined hy the new laws, hut that they reflected Mr Tung's desire to secure a "proper balance" betweeo civil liberties and social order.

However, the Democratic party said the principle that permission would be required for demonstrations remained intact and unacceptable. Mr Albert Ho, a party legislator, also warned that Hong Kong's promised autonomy after the handover would be undermined by the decision to allow political funding from China.

China will invite representatives from Taiwan to ceremonies marking Hong Kong's return to Chinese sovereignty, Mr Shen Gnofang, Beijing's foreign ministry spokesman, said yesterday, John Ridding reports. However, Taiwanese attending the ceremony will have to approve of Hong Kong's return and accept Taiwan is part of China. "We will invite Taiwan people, bnt they must conform to the principla of 'one China'." China views Hong Kong's return as a stepping stone to reunification with Taiwan. The "one country, two systems" formula which underpins Hong Kong's return was originally developed with Taiwan in mind.

China lifts limit on new equity issues

By James Harding in Shanghai

China yesterday set a qnota of Yn30bn ($3.6hn) for new equity issnes in 1997, doubling last year's limit for offerings in a sbow of government commitment to building up the domestic stock markets.

The announcement came in a turbulent week on China's young stock exchanges, as speculation has mounted that Beijing is set to crack down on the volatile bourses in Shanghai and Shenzhen.

The 1997 new listings will focus on the the energy, transport, telecommunications and high technology sectors, according to the plan drawn up hy ths Securities Commission and the State Planning Commission. The 1997 qnota compares with the Yn15bn quota set for 1996.

The statement, issued by the official Xinhua news agency, was welcomed by dealers in Shanghai as further evidence of China's determination to expand the number of sbareholding companies, offering investors greater liquidity and a more representative exposure to the Chinese economy.

However, the markets yesterday were more consumed by rumours of impending central government measures to curb speculative trading and widespread talk of a reshuffle at the top of China's regnlatory authority.

Authorities in Beijing are understood to be considering banning a handful of domestic brokerages, inclnding Shenyin and Wanguo Securities, China's largest securities company, from trading on their own accounts.

Dealers on the Shanghai bourse say the move may coms in response to an investigation into trading irregularities, as well as being a signal of Beijing's displeasure at what it has repeatedly said is an overheated market.

Cbina's stock market indices have risen by more than 50 per cent so far this year, in spite of warnings in China's official media that tbe soaring market is not warranted by the fundamentals.

Last year, an editorial in the Peopls's Daily, the mouthpiece of the Communist party, sent tbe market crashing, hnt this year confident investors have shrugged off the government's bid to cool the market.

Shangbai's trading community is increasingly convinced that Mr Zhon Daojlong, chairman of the China Securities Regulatory Commission, is expected to step down soon, in a sign of Beijing's frustration at the regulator'a inability to temper the market.

US tobacco giants seek immunity

By Richard Tomkins in New York

Philip Morris and RJR Nabisco, the two biggest US tobacco companies, have confirmed for the first time that they are holding peace talks with anti-tobacco lawyers about a multi-billion dollar deal to end the legal threats facing the industry.

In filings with the Securities and Exchange Commission, both companies say they are meeting state attorneys-general, plaintiffs' lawyers and others to explore the potential for new laws that would resolve the threat of anti-tobacco lawsuits.

Philip Morris's filing says: "A resolution of the type being discussed would require the industry to make an up-front payment of several billions of dollars and payments of additional billions of dollars annually. In addition to the monetary payments, major changes in the marketing and regulation of tobacco would in all likelihood be part of the resolution."

Last month it emerged that the tobacco companies were talking to anti-tobacco lawyers about a deal under which they would accept tougher regulation and financial penalties totalling up to $300bn over 25 years in return for a degree of immunity from litigation.

The tobacco industry, however, had resolutely refused to confirm the talks existed. The leaks came from the anti-tobacco lobby, raising doubts as to how far the tobacco industry was commited to the negotiations.

Yesterday Mr Martin Feldman, an analyst at Smith Barney, a Wall Street brokerage, said: "In our opinion, the inclusion of these comments in the [SEC filings] illustrates the determination of both companies to reach a compromise."

Public health advocates are particularly concerned that the negotiations could end in a mutually beneficial settlement between the tobacco industry and the lawyers, doing little to discourage young people from taking up smoking. They also resent the idea that the tobacco industry should gain immunity from lawsuits.

If an agreement were reached, Wall Street analysts say the tobacco companies could easily offset tha cost by putting about 50 cents on the price of a pack of cigarettes in the US, which at present are the cheapest in the developed world.

However, Philip Morris's filing warns that if a settlement is reached, "the financial position of the company would be materially adversely affected in the year of implementation, and the volume, operating revennes and/or operating income of the company would be materially adversely affected in future years."

Former dictator General Hugo Banzer leads polls for June 1 election

Tired Bolivians turn to familiar faces

After four years of far-reaching change, pushed through at breakneck speed by the reformist government of President Gonzalo Sánchez de Lozada, Bolivians appear intent on electing a less radical leader in next month's general election.

Mr Sánchez de Lozada is prevented by the constitution from standing for a second consecutive term and as Mr Carlos Toranzo, a political analyst, puts it: "People are tired of rapid change and confrontation – and of politicians. What they want is a period of consolidation."

With few ideological issues at stake – most candidates accept the reforms were necessary and are simply promising to fine-tune them – many Bolivians are leaning towards figures they know.

Well in the lead in latest opinion surveys – though he has lost a point or two in recent days – is the ageing General Hugo Banzer, one-time dictator and leader of Accion Democratica Nacionalista (ADN).

The June 1 election is the septuagenarian general's fourth, and probably last chance, to win the presidency legitimately.

With the multiple abuses and authoritarianism of his regime now largely forgotten, one Bolivian in the street remembers him as "the man who created jobs, law and order."

A few refuse to let painful memories die. This week, the national electoral college ordered a controversial advertisement withdrawn. Put out by the relatives of the "disappeared" two decades ago, it attacked Gen Banzer for atrocities committed during his seven-year de facto government of 1970-77.

General Banzer (left) and Jaime Paz Zamora: on the presidential trail yet again *Reuter*

To counteract his age, ADN has selected as his running-mate the boyish figure of US-educated Mr Jorge (Tuto) Quiroga, articulate, charismatic, with an impressive string of academic credentials. Mr Quiroga is the one who faces the television cameras with aplomb to qnote poverty and unemployment statistics. The general prefers old-style campaigning in the Bolivian boondocks.

Way behind the grandfather and grandson act come a clutch of candidates each with roughly similar degrees of popular support.

Movimiento Izquierda Revolucionario (MIR) leader Mr Jaime Paz Zamora, like the General, is a former president. Though his candidacy was the result of horse-trading and compromise Mr Paz Zamora enters the fray with a problem: he has been denied a US visa, because of alleged connections to the illegal drugs trade. With a sector of the Bolivian public, however, this can be turned to advantage: the compatriot unjustly persecuted by domineering "gringos". Xenophobia seems central to his campaign message: he told Bolivian businessmen this month that they had become mere "sub-contractors" for foreign investor interests.

Most picturesque of the principal contenders is known affectionately as "Comadre Remedios," the daughter of a humble railway worker who wears the traditional dress of the Bolivian peasant woman: many petticoated skirts and a jauntily tilted bowler hat.

Ms Remedios Loza has stepped into the shoes of populist Mr Carlos Palenque who died of a heart attack earlier this year to lead his maverick Conciencia de Partia (Condepa) party with vague offers of "a new development model".

By contrast, the other candidates are a colourless bunch. Mr Juan Carlos Durán of the ruling Movimiento Nacionalista Revolucionario (MNR), an old-style party boss, is not the candidate President Sánchez de Lozada originally wanted.

He is battling against the deep-rooted popular distrust of MNR, generated by sweeping reforms damaging to vested interests and disconcerting to many. Other more dramatic incidents – the Christmas "massacre" by the authorities of miners occupying a pit at Amayapampa and a recent phone-tapping scandal – make his task still more daunting.

One thing is clear: no candidate will gain the 50 per cent of the popular vote needed for outright victory. Intriguingly, Bolivia's often unreliable polls – and popular perceptions – indicate that Mr Ivo Kuljis of the Unidad Civica de Solidaridad (UCS) party has a chance of snatching second place to General Banzer.

Like brewery magnate Mr Max Fernández, the now-dead founder of the UCS, Mr Kuljis is a self-made millionaire businessman. Son of a Croatian immigrant, he comes from the dynamic eastern city of Santa Cruz and preaches honesty, efficiency and promotion of Bolivia's huge agro-export potential. Were he to come within a few points of the General, he might succeed in rallying enough post-electoral support in congress to emerge as president.

An energetic 43 year-old, Mr Kuljis has considerable appeal to Bolivia's big youth vote. With the voting age recently cut from 21 to 18, and a predominantly young population, up to 30 per cent of those who go to the polling booths this year will be first-time voters. Many are apathetic, disgusted with "traditional" politicians and seeking an alternative.

President Sánchez de Lozada's ruling MNR party – which may fare considerably better than current polls indicate, especially in rural areas – would probably support Mr Kuljis. A post-electoral "bidding war" could then ensue for the votes of Condepa to determine which of the first top two candidates will take Bolivia into the 21st century.

The outgoing president is then widely expected to return triumphant in 2002 (the presidential term has been extended from four to five years), once the impact of his avalanche of reforms has been duly digested.

Sally Bowen

Mexican finances boosted by oil earnings

By Daniel Dombey in Mexico City

The Mexican government yesterday attempted to show that the nation's public finances are in much better shape than in previous electoral years by releasing figures which officials said showed that the country was continuing its rapid recovery from the devastating recession of 1995.

A surge in oil earnings, helped by increased production and higher worldwide prices, and a jump in tax revenues, helped push the country's primary budget surplus for the first quarter to 34.7bn pesos ($4.39bn), 1.2 per cent of gross domestic product on an annualised basis. The surplus was about 5 per cent up on last year's level.

At the same time, Mexico's debt burden decreased, thanks to the country's assiduous refinancing programme and favourable international conditions.

Net external debt of $86.3bn at the end of March was $3.5bn less than at the end of last year and represented 22.9 per cent of GDP, compared with 32.4 per cent at the end of 1995.

Total net public debt fell from 38.5 per cent of GDP at the end of 1995 to 28.7 per cent of GDP at the end of March.

The health of Mexico'e public finances is of particular interest because of national congressional elections due to be held on July 6. In the past, spending has swollen in the run-up to elections, pushing the budget out of balance, and dependence on short term foreign debt has greatly increased.

In 1994, a year of presidential elections, both factors applied and are thought to have contributed to the peso's disastrous fall that year.

However, the government promises that this year's budget deficit will be, as forecast, only 0.5 per cent of GDP.

Moreover, at present only 5 per cent of foreign debt is short term, as opposed to 31 per cent in December 1994.

Throughout the last year and a half, the peso has held steady at about 7.9 to the dollar.

This was in spite of an inflation rate that has run considerably ahead of price increases in the US.

AMERICAN NEWS DIGEST

US production flat in April

Production by US mines, factories and utilities was flat in April for the first time since last summer as strikes and related plant shut-downs slowed vehicle output, the Federal Reserve said yesterday.

Industrial production was unchanged last month after climbing a smaller-than-estimated 0.6 per cent in March, the Fed said. It was the weakest showing for the industrial sector since last July, when output also was flat.

The performance of the industrial sector, which has been operating vigorously for several months, was weaker than the 0.2 per cent rise that Wall Street economists had expected.

Consumer prices advanced modestly last month, the Labour Department said yesterday, offering more proof that inflation remains largely in check. The consumer price index rose 0.1 per cent last month, matching the 0.1 per cent rise in March.

Excluding the volatile food and energy sector, the core rate of inflation advanced 0.3 per cent after rising by 0.2 per cent in March. Wall Street had predicted the overall index would rise by 0.1 per cent, but economists had expected the core rate to climb by just 0.2 per cent. *Reuter, Washington*

Big US troop cuts sought

The US administration yesterday briefed Congressional leaders on a wide-ranging defence review that calls for scores of bases and tens of thousands of personnel to be axed but that is viewed as too cautious by many military analysts.

Mr William Cohen, defence secretary, gave House of Representatives and Senate leaders the unwelcome message that they must share the responsibility for closing redundant military installations and switching funds from personnel to arms procurement.

While the Quadrennial Defence Review will not be made public until Monday, it is expected to call for the closure of about 50 bases and the elimination of up to 60,000 servicemen, 70,000 reservists and 80,000 civilian defence workers.

Latest reports suggest procurement spending may rise by only $10bn a year, but that will still require a shift of priorities within a defence budget expected to remain constant at roughly $250bn a year under the newly struck bipartisan agreement to balance the budget within five years. *Bruce Clark, Washington*

Peru-Ecuador flare-up

A border incident on the long-disputed Peru-Ecuador frontier has raised tensions at meetings between diplomats in Brasília to resolve impasses to a lasting peace between the two countries.

Seven captured Ecuadorean soldiers were yesterday handed over by the Peruvian military observers after they had allegedly been captured 6km inside Peruvian territory on Tuesday sowing 600 anti-personnel mines.

The Ecuadorean defence ministry insists that the soldiers had been on routine patrol.

Sporadic border conflicts in the dense jungle area of the Cordillera del Condor between Peru and Ecuador erupted in January 1995 into full-scale fighting which lasted a month.

Although war was never formally declared, several dozen soldiers were killed on each side and at least nine aircraft shot down. *Sally Bowen, Lima*

Guatemala sell-off starts

The Guatemalan government has put on offer two generating plants and a power purchase deal in the first stage of its electricity privatisation. The package comprises two thermo-electric plants totalling 150MW and an 18-year prior purchase agreement with the main state-owned distributor.

The list of companies seeking to qualify for the bidding totals 13 and is dominated by US names including Constellation Power, Enron and AESAmericas. The ultimate aim is to sell off the 92 per cent state-owned Guatemalan Electricity Company, EEGSA. It distributes 72 per cent of all electricity in Guatemala within the country's highly centralized industrial zone. But it is deep in debt. *Johanna Tuckman, Guatemala City*

Zaire rebel army closes on Kinshasa

By Michela Wrong in Kinshasa

Swift strides mada by Mr Laurent Kabila's fighters in tbeir marcb on Kinshasa risked overtaking mediation efforts yesterday as South African President Nelson Mandela atruggled to salvage Zaire's tottering peace efforts.

Officials said Mr Mandela was hoping to get both President Mobutu Sese Seko and Mr Kabila, who was en route for Cape Town, to ratify a two-page South African proposal detailing a peaceful transition of power.

But Mr Kabila's failure to turn np for Wednesday's warship summit suggests the rebel leader prefers a military solution to running tbe risk of becoming embroiled in negotiations that could give Mr Mobntu's political entourage a new lease of life.

A force of several tbousand rebels was yesterday reported to be approaching Nsele, site of a dilapidated fun park on the outskirts of Kinshasa.

The international airport of Ndjili lies on the same road and military analysts said tbat with the Unita fighters who put np most resistance having fled back to Angola, the rebels would probably focus on capturing the airstrip so that they can ferry reinforcements up from the south.

Anticipating the move, the government sent a dozen tanks to the Ndjili area on Wednesday night. But the defence of Kinshasa was being undermined by internal problems, with security forces closing off the rivereide port after batcbes of deserting soldiera began arriving by barge.

While Zaireane warn darkly of an approaching bloodbath, western analysts believe many government soldiers will simply shed their uniforms and blend into the civilian population when the rebels arrive.

Bnt Mr Mobutu's return from the abortive meeting in Pointe Noire, Congo, does not bode well for a peaceful takeover.

"If he had not come back, he would beve freed the presidential guard from their oath of loyalty. By returning he has made it much harder for them to surrender. They are the ones wa have to worry about," said a diplomat.

● Zairean rebels' efforts to put a freeze on President Mobutu's assets gathered pace yesterday as Switzerland studied the legitimacy of a request to seize his fortune and the rebels extended their demand to other countries, Renter adds from Geneva.

The rebels asked the US, France and Belgium to freeze Mobutu's assets.

Pretoria tests its diplomatic credentials

Is Mandela's moral stature enough to pull off peace in Zaire, asks Roger Matthews

The Zaire conflict is likely to prove South Africa'a coming of diplomatic age. If it is resolved peacefully, South Africa may justly claim a large part of the credit. But if mediation efforts fail, it could prompt a profound reassesement of Pretoria's role, both at home and internationally.

Whatever the ontcome, Zaire's crisis will provide the best opportunity yet to assess wbat balance might be struck between the high western bopes for President Nelson Mandela's government in resolving Africa's crises, and the more modest expectations of Pretoria.

The disparity between the two approaches was obvious from the day Mr Mandela took office in May 1994, as was the government's inevitable lack of international experience.

Empty mission: Mandela is greeted hy Congo's President Pascal Lesuba on Wednesday but Laurent Kabila failed to show

Mr Mandela'e foreign policy has been guided by three principles. First, loyalty and gratitnde to tbose wbo assisted the African National Congress in the decades-long fight against apartheid. Second, an acute sensitivity to accusations that the ANC government might be emulating tbe aggressive and patronising behaviour of its National party predecessor. And third, a belief that what Sontb Africa achieved domestically in bridging once irreconcilable differences could be repeated on the international stage.

All three approaches have at times caused confusion among its western allies, and sometimes anger. The US, in particular, bas been dismayed at South Africa's continued attacbment to so-called pariah states, such as Cuba, Syria, Libya and Iran. Taiwan, which believed Pretoria's protestations of friendship, was shocked to be abandoned wben China made absolutely clear that South Africa had to make a cboice. And today the European Union is still frustrated by what it sees as South Africa's unrealistically idealistic stance on what can be achieved in trade negotiations.

In part that was precisely because of South Africa's insistence that wbatever deal it struck with the EU could not be taken in isolation from the more vulnerable economies of the 12-member Southern African Development Community. The inter-dependence of those states is as much a South African theme as the frequent references by Mr Mandela, and Mr Thabo Mbeki, his deputy, to an imminent African renaissance.

For that dream to begin to be realised there was no escape from the crisis swirling around President Mobutu Sese Seko. A peaceful Zaire which began to realise its economic potential would be an important building block, hut continued civil war would create a further and widening blot on tbe African landscape.

Soutb Africa did not, therefore, need any pushing to become involved. But just as the Outeniqua, the South African navy vessel on which peace talks were held, does not carry any offensive weapons, so Mr Mandela and his associates rely on diplomatic guile and moral authority.

Mr Greg Mills, director of the South African Institute of International Affairs, believes this has already set new standards in African diplomacy. "Soutb Africa bas at last shed its apologetic stance towards tbe subcontinent in favour of a more assertive, pro-active role," be says.

Only South Africa, among African states, could bave provided the logistics for tbe peace talks, says Mr Mills, while only Mr Mandela bad tbe stature to bring both President Mobutu and Mr Laurent Kabila, the rebel leader, to the same table. "It bas now dawned on South Africa's leaders that if their nation is to assume the status of an African power they will have to engage with tbe continent's problems."

But how effective the engagement has been is still open to debate. Critics of South African diplomacy argue that it has sometimes been poorly co-ordinated, overly optimistic, and occasionally naive. "It is absurd when dealing with men like Mobutu and Kahila to take anything on trust. Trying for a consensual approach is not realistic," said one diplomat. "The South Africans are susceptible to self-interested liars, especially when they desperately want to sbow a diplomatic success."

According to some observers, this was seen during Soutb African briefings on board the Outeniqua. Officials suggested a breakthrough in negotiations was imminent, when tbe two sides had in fact made virtually no progress. It caused Mr Mbeki to say he bad firm assurances from Mr Kahila that his troops had stopped advancing, when reports from the ground revealed them to he still moving towards Kinshasa.

Suggestions of faulty communications between Mr Mandela, Mr Mbeki and the foreign ministry, have also surfaced. But against that it can be argued that tbe Mandela-Mbeki partnership combines unrivalled moral authority with a strong intellectual grasp of the domestic intricacies of African nstions.

The crisis in Zaire has also belpfully raised Mr Mbeki'e international status as he prepares to take over the lesdership of the ANC from Mr Mandela at the end of the year. But it has been at the cost of some criticism at bome. Some editors bave been quick to complain that, important though it is to bring peace to Zaire, South Africa's own pressing problems cannot be effectively addressed while its two most important leaders are preoccupied by events to the north.

What the Zaire crisis may finally bring bome to a wider group of South Africans is tbat tbeir own future, and that of the continent beyond, cannot be divorced. The snag for Pretoria is there is probably no balfway bouse. Too much success in Zaire could elevate South Africa in tbe minds of others to arbiter of the continent. Too little, and it will suffer the backlash, along with all its neigbbours.

Greenpeace push to stop new oil searches

By Leyla Boulton, Environment Correspondent

Greenpeace plans an international crusade to stop all new oil exploration, in order to fight global warming, says Mr Thilo Bode, tbe environmental pressure gronp's international executive director.

Thilo Bode: moderniser

But Mr Bode, who has sought in the past two years to modernise Greenpeace, is as keen to produce alternatives to environmental problems as to blow the whistle on them.

Because tbe new campaign'a goal of phasing out fossil fuels could take "up to 40 years", Mr Bode says Greenpeace must focus on promoting more efficient use of existing fossil fuel supplies while enhancing tbe attractiveness of renewables such as solar power. This poses a long-term prohlem for oil companies such as Shell, which on Wednesday rejected a demand to withdraw from a lobby gronp bostile to rapid action to fight global warming.

"The end-game of the fossil fuel industry has begun and the solar era is beginning," Mr Bode, 50, said in an interview in London this week.

"The oil company which realises that first will have a competitive advantage."

Shell agreed that renewables could play an important role in meeting energy needs by the middle of the next century, but admitted it was spending just \$8m a year on researching solar energy and biomass against \$43m on charity.

The fossil fuel phaseout Greenpeace is seeking goes much further than anything suggested by members of the Intergovernmental Panel on Climate Change (IPCC), the group of scientists charged by governments to research global warming.

Even IPCC scientists say Greenpeace has a point in querying the need to develop new oil and gas fields when existing levels of fossil fuel consumption are thought to be causing climate change.

And Mr Bode, who in his previous job as bead of Greenpeace Germany helped spark protests which forced Shell to drop plans to dump the Brent Spar oil platform at sea, remains committed to direct action.

Greenpeace International, based in Amsterdam, will supply the protest ships for the "actions" planned by its national branches, such as Greenpeace UK, against new offshore exploration projects.

But Mr Bode really comes alive when discussing Greenpeace "solutions" to problems – such as its \$1m conversion of a Renault Twingo into the Smile, a passenger car which consumes half as much petrol as the original. "This is perfect," be says. "Even if the Smile does not go into mass production, demonstrating alternatives are possible is the most intelligent way of confronting the car industry."

Mr Bode also plans a new kind of operation for the office Greenpeace is trying to open in Beijing. "The campaign will be... to provide industry there with environmental information and new technology. We will tell the Chinese western companies are selling them dinosaur-era technology and ask them whey they are buying such rubbish."

Sahara compromise rejected by Morocco

By Roula Khalaf in Rabat

Mr Driss Basri, Morocco'a interior minister, has dismissed any discussion of limited eutonomy for the Western Sahara as a compromise solution to the decades-old territorial dispute.

His tough line is bound to disappoint Mr James Baker, the former US secretary of state and now United Nations special envoy for the Western Sahara, who is due to make his second visit the region next month.

Mr Baker is expected to bring a proposal to jump-start stalled UN plans to hold a referendum on the future of the former Spanish colony. But many analysts believe that the identification process for the referendum can only be resumed if Morocco, which claims tha territory, and the Polisario Front, which has been fighting for independence, agree an acceptable outcome.

Mr Basri said there would be "neither an extended, nor a medium nor a small autonomy" for the Western Sahara. "There are no negotiations on autonomy, the referendum is about integration or independence. If they vota for independence, they will have it, if not they will be integrated into Morocco."

Issues of autonomy, said Mr Basri, are an internal matter and could only he decided by Morocco rather than be subject to negotiations with any other party. The UN's job, he said, is to find ways to overcome the obstacles of the referendum.

The central dispute over the referendum focuses on accusations that Morocco has padded the list of people to be identified by the UN as potential voters in the referendum. Morocco says the extra 100,000 people come from Sahrawi families kicked out under Spanish rule.

The problem of the lists, however, has beightened the snspicion tbat neither Morocco nor the Polisario are willing to hold a referendum which they risk losing. This is why analysts have suggested that the two parties must agree on an acceptahle outcome before the referendum is held.

The Western Sahara issue has been a source of unity in Morocco, with all political parties firmly standing behind King Hassan II. Momentum to solve the dispute has come at a time when the monarchy and the opposition are enjoying an unprecedented period of political detente.

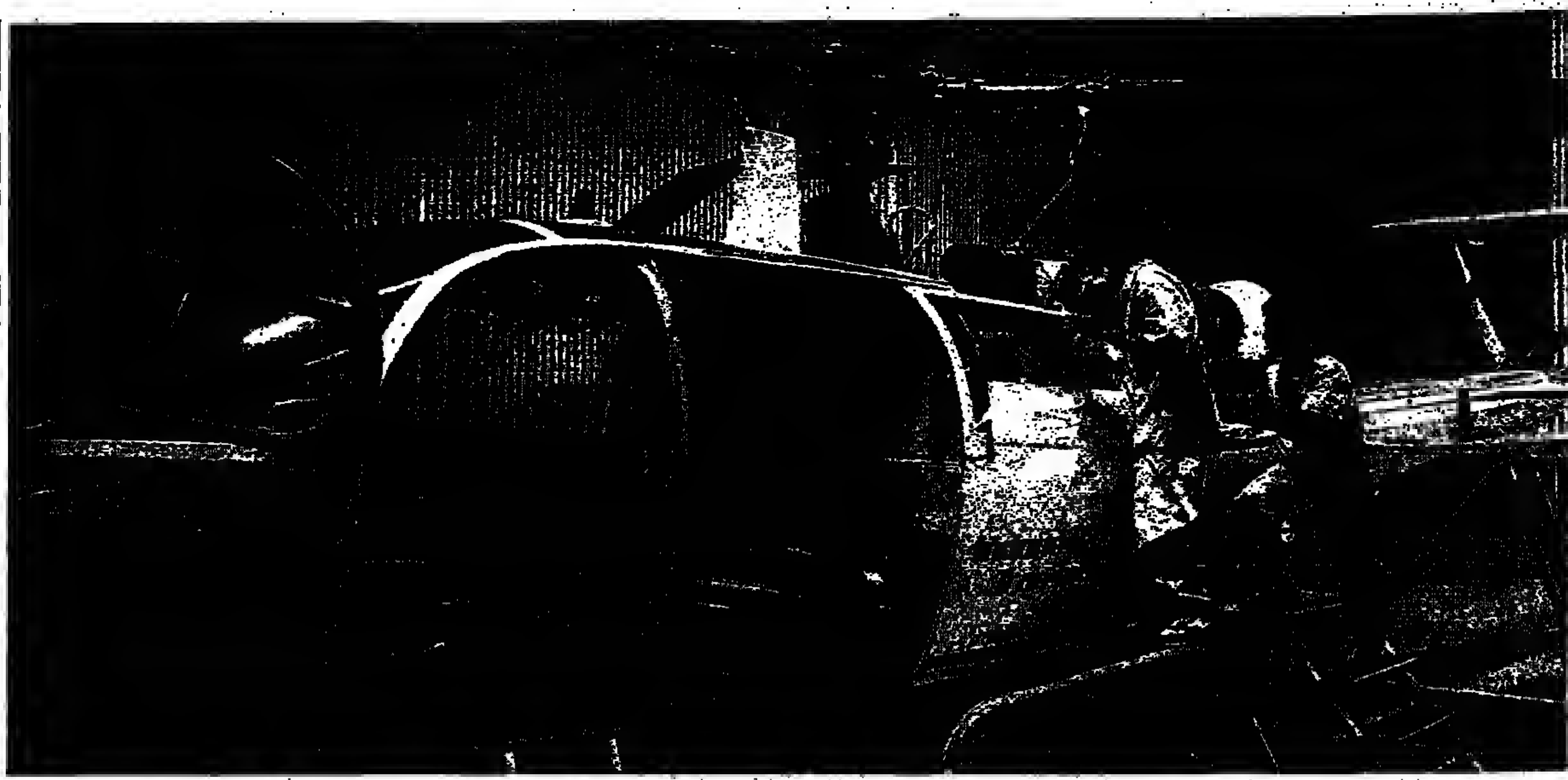
Morocco is preparing for a series of elections starting in municipalities next month which are meant to mark an important step in the transition towards a more democratic system. Mr Basri, who had been cited by the opposition – the nationalist Istiqlal and the left-leaning Union des Forces Socialistes Populaires – as the reason for rejecting the King's offer to join the government, has instead been the parties' main interlocntor in negotiations over the conduct of elections.

The two sidas have already signed a "gentlemen'a agreement," in which Mr Basri committed the government to transparency in the elections while the parties agreed not to make a big fuss if the rigging is confined to a few specific cases.

THE BRE-X SCANDAL

From the jungle, a golden fleece

Pure gold was hidden in the
quartz, they said.
'Twas proved by dreams and
signs, and rods divining,
By chemic tests, and
spirits of the dead,
In fact by everything
– except mining.
"The Mining Town" 1873



"I heard the sound of wind rushing in . . . I looked back and the engineer said: 'Mike is not there. He's gone.'" The helicopter from which de Guzman fell Photograph: Jonathan Head

In the bars of Borneo and Toronto's financial circles all talk is of Bre-X. How did the biggest mining fraud in history happen? How did the company's value surge from C$45m to C$6.8bn? FT reporters gather the evidence

Late on a Saturday night, the Borneo Bar in Balikpapan shows all the excesses of a gold rush. A man from Kentucky stands at the bar in a bowler hat. On stage an all-girl band unconvincingly apes the Spice Girls. Miners, helicopter pilots, geologists and shippers from all over tha world slug bottled Anker beer and talk to prostitutes.

The talk these days is all about Bre-X Minerals. Whispered conversations tell how the tiny Canadian company came to Busang in the Indonesian jungle and perpetrated the higgest gold mining fraud in history. Contradictory conspiracy theories are exchanged.

It is a story worthy of Joseph Conrad – a hoax that involved the faking of mineral samples on an industrial scale, took in some of the biggest names in international mining and finance, and in the process rohbed investors of hillions of dollars.

The characters are stranger than fiction: a small-time Canadian stock promoter who built a fortune on what he claimed was the biggest gold discovery of the century; a boastful and stubborn Dutch-born geologist now in seclusion in the Cayman Islands; and an ambitious Filipino explorer, now believed dead.

How could an obscure company run by men with few achievemeots sell tha world mining industry oo a several billion dollar project in a patch of Indonesian rain forest, using claims oow exposed as entirely bogus? And how was belief in the project sustained through two whole years and an unusually extensive series of tests?

Part of the answer was provided last week, when an independent Canadian consultancy hired by Bre-X delivered its report on Busang. At the height of Bre-X fever, the mine had been touted by John Felderhof, the company geologist, as holding up to 200m ounces of gold. The audit by Strathcona Mineral Services, found it contained "insignificant" amounts of the metal. Previous claims, Strathcona said, had been based on "tampering and falsification without precedent in tha history of mining anywhere in the world", undertaken at a secret laboratory in or near the Borneo town of Samarinda.

The story begins in 1993, when David Walsh, a Canadian former stock promotor, persuaded friends to invest C$200,000 in a project to prospect for gold at Busang. Walsh, now 51, already had a history of failed attempts to exploit natural resources. In the 1980s, he had set up Bresea Resources, named after his sons Brett and Sean, to look for oil and gas. But hy 1993, he had nothing to show, and he and his wife had filed for bankruptcy with almost C$60,000 in credit card debt. His attentions had switched to mining in Indonesia.

Beer-bellied and casually dressed, he did not cut an impressive figure. "Everyone commented that Walsh should get a haircut," one mining analyst recalls. "He didn't come across as the type of guy they'd want to support, just by his presence. I got the feeling these guys conducted a lot of husiness in a bar."

Walsh was introduced to Busang hy Felderhof, a Dutch-born Canadian geologist. An old Asian mining hand, Felderhof had played a key role in the discovery of the famous Ok Tedi mina in Papua New Guinea. Now he was promoting Busang as a consultant to a venture called PT Westralian Atan Minerals. Bre-X bought its stake, about the time that Felderhof signed on with Walsh as his lieutenant in Indonesia.

Felderhof drew industry plaudits for his role in discovering the "huge deposit" at Busang. As recently as March of this year, Canada's Prospectors and Developers Association named him prospector of the year. Some who knew him took a less favourable view. One western mining consultant describes Felderhof as "not the sort of person I would want to be on a desert island with".

The story's third central figure, and hy far its most enigmatic, was Michael de Guzman, an intrepid young Filipino geologist. Educated at Manila's Adamson University, de Guzman believed he had pioneered a new theory of gold deposits occurring hetween fault lines. At Benguet, the Philippine mining group where he worked for 10 years from 1976, he tried to present these ideas to senior colleagues, but was rebuffed as an upstart.

In 1986, he moved to Indonesia, where he gained a reputation as an explorer prepared to suffer for his work, hacking through remota jungle, sleeping rough, and contracting malaria 14 times.

De Guzman had at least three, and maybe five, wives. Although polygamy is not unusual among mining men spending lonely months in harsh terrain, he took it to extremes. "Maybe ha was a little hit lonelier than the other guys," says a former colleague. He was sacked from a previous joh for stealing company property including a fridge and a video recorder to give to a "contract wife".

De Guzman, who worked with Felderhof before Busang, "looked up to John as something of a father figure", says his brother JoJo de Guzman. But he found his main friends among the Filipino geologists and mining engineers working in Kalimantan, described by one western consultant as "a very close-knit community, forever covering for each other". The Filipinos were known, quaintly, as Mike and his Mighty Ducks.

De Guzman shared with his mentor Felderhof, the propensity to gild the lily. Michael Everett of Jakarta-based mining consultancy Snowdon Indoasia, recalls a study he wrote on a prospect in Java. "The report was overly bullish abont the prospect," he says. "Conclusions drawn from the evidence went beyond what a sensible person would conclude."

At Busang, de Guzman, Felderhof and Walsh had reason for high hopes. The site is on the edge of a large tectonic plate – known as the Kalimantan Suture – which hosts known gold deposits, such as Mt Muro.

Some believe the region contains an "arc of gold". Other geologists argue that had Busang's claim been correct, there would have been other sizeable finds close hy. The only other gold mine in east Kalimantan is several hundred kilometres from Busang.

But it was a good tima for Bre-X to start promoting Busang to larger mining concerns as an exciting prospect. Canadian exploration companies were on a roll. Dia Met discovered diamonds in Canada's Northwest Territories. There were lucky strikes of nickel in Canada and gold in Peru.

Busang appeared to be in a similar league. For hig North American mining groups, like Barrick Gold and Placer Dome, it seemed a prize worth fighting tooth and claw to win.

Companies like Bre-X were not unusual in North America. The Vancouver and Alberta stock exchanges owe their existence to hundreds of exploration penny stocks whose shares trade as much on rumour as fact.

Behind many of them are colourful promoters – some more reputable than others – whose joh it is to raise capital by keeping the share price moving. These corporate Pied Pipers are typically also directors and shareholders. Bre-X, with Walsh at the helm, was languishing on the Alberta exchange before Busang swept it on to the bigger, supposedly more respectable Toronto market in April 1996.

Mining scams have been perpetrated since stock exchanges were invented. Projects are often in very remote locations so it is difficult for investors to see for themselves what is going on. And information provided by companies themselves is far from perfect or precise. An unexpected intrusion of barren rock, unsuspected variations, metallurgical difficulties in ore treatment or a host of other factors can make legitimate and expert calculations hopelessly wrong. And where there is room for error, there is room for fraud.

As work continued at Busang, the operation took on some unusual aspects. For a start, there was its sheer scale. Normally, exploration companies drill a few holes on their chosen site to extract samples. Busang was in a different league. Over two years Bre-X spent $20m and produced 16,400 samples.

According to an Indonesian engineer who spent much tima on the project, there were about 355 workers drilling hundreds of holes in various parts of the property, known as Busang 1, 2 and 3. The base camp near Busang 1 had accommodation for hundreds, a sports hall, a mosque and a clinic. A geologist with a western gold mining company said the scale of operations was more in keeping with a company in the exploitation stage.

Also noteworthy was the timing of expansion. It took place as late as the first few months of 1996 – just as Bre-X was preparing to list in Toronto.

Then there was the matter of how Bre-X handled its samples. Here it appeared to break all the rules. It did not follow standard practice for handling the cylindrical drill "cores". Each sample is usually quickly logged by a geologist, cut in half lengthwise, and one half placed in a numbered plastic bag that is sealed and sent as quickly as possible to an independent laboratory for testing.

Careful records are usually kept and half the cores retained near the mine site so results can be checked again later. Bre-X, however, sent all its cores for testing except for a few fragments. What happened later was equally unconventional. Normal practice would be to treat all cores the same way at the same facilities. But Bre-X designated some cores as "mineralised" and others as "in-fill". The latter were treated at a sample preparation facility at Busang to produce a pulverised pulp that would be ready for assaying, but which invariably yielded low gold values.

"Mineralised" core was bagged in 25kg sacks and shipped in longboats for two days down tha Mahakam river to Loa Duri, a straggling town of wood and corrugated iron houses where Bre-X maintained a large warehouse complex. There the samples would stay for anything between a few days and several weeks, according to workers at the site, before heing sent hy boat to the Indo-Assay laboratories in Balikpapan. By the time samples reached the labs, they usually turned out to contain gold.

This helped to give a misleading impression to independent consultancies which were brought in to assess the mine, such as Kilborn, part of SNC/Lavalin, Canada's biggest engineering and project management group. Nor was clarity assisted hy Bre-X's practice of assigning the same numbers to two different samples. Only assays from the set of duplicate samples with higher grades were included in results provided to Kilborn, which used the Bre-X figures to calculate the size of the deposit.

"A lot of exploration is built on trust," says one independent consultant, but geo-statistical analysis should have warned that Busang was too good to be true.

The warehouse was in itself highly irregular, according to geologists working for other western gold mining companies. Normally sample bags would go directly from the exploration area to the assaying laboratory.

The warehouse complex also shows the unusual scale of the operation. Whereas most prospectors send samples in 20-sack batches to the assaying laboratory, the Loa Duri warehouse site was observed to contain at least 1,000 sacks by an FT reporter who has inspected it. Workers were opening sacks and weighing substances from them before returning them and tying the bags up.

The precise explanation for this secret adjunct to Busang can only be guessed at. But given its size, it could not conceivably have been hidden from the people in charge of the site.

Whatever happened to the samples once they left the site, outsiders seeking to verify ore grades got short shrift.

One Australian consultancy, Normet, asked Bre-X during 1996 to drill four holes at Busang whose cores would be provided exclusively for metallurgical tests. Tha Australian group was told it was not possible because all drilling had to focus on expanding Busang's reserves.

While this activity was under way in Borneo, Bre-X was busy promoting itself to investors. It used its Internet sita to re-puhlish optimistic stockbrokers' reports and press comment, although always with a "third-party opinion" caveat.

Investment bankers and stockbrokers were not far hehind. JP Morgan, the hluest of hloe-chip investment banks, signed on to find Bre-X a partner for Busang. One broker after another launched coverage of Bre-X, typically noting that while Busang might be a "speculative" play, Bre-X shares seemed headed for the stars. And so, for a time, they were. In early 1995, Bre-X was valued at a mere C$45m. By the time the shares peaked in May 1996, a company with no assets other than an exploration licence and some drill samples was worth C$6.8bn.

Brokers are estimated to have mada $100m in commissions a year on trading Bre-X shares. Senior Bre-X officials raked in at least C$38m through share sales. Walsh, his wife, Felderhof, and Stephen McAnulty, vice-president of investor relations, sold shares last autumn.

The optimism was self-fuelling. The most important factor was the scale of samples produced by Bre-X over a protracted period. Fraudulent promoters often drill three or four holes in remote territory, add gold to one or two samples – a practice known as "salting" – then sell their shares once the price has risen sharply.

But Bre-X continued to invest, and its senior managers stayed with it, even if they took some profits. The longer the salting went on, the more willing experienced mining people were to helieve the claims. Only later was it discovered that a fire at Bre-X's main office near Busang in January was said to have destroyed most of its records and other important data.

Fate intervened in mid-Fabruary when the Indonesian government, unable to sort out squabhles between Bre-X, its local partners and its foreign suitors, invited Freeport McMoRan Copper and Gold of the US to step in. Freeport already operates one of the world's biggest gold and copper mines in Irian Jaya, the Indonesian half of New Guinea. Its boss, Jim Bob Moffett, is a tough Texan who, in his own words, wouldn't take an angel'e word on a gold discovery. Freeport insisted on doing its own testing at Busang, using its own geologists and its own core samples. Freeport's tests quickly showed that Busang gold was a mirage. That set in train the sequence of events which was to expose the fraud.

But who did the salting and who knew about it? Because of its size and duration, anyone senior on the ground in Borneo should have known. Most suspicion attaches to de Guzman.

However, JoJo de Guzman disagrees. "My brother would have been the first to get out of the company if he saw anything fishy," he says. "If anybody told him to do it, he would have been the first to say no."

Others believe the salting could not have been done without him. "It is extremely unlikely," says Jakarta-based mining consultant Michael Everett. "I just couldn't accept that."

Felderhof, who has invested millions of dollars in property on Grand Cayman, was forced to resign last week from Bre-X. He issued a statement that he was "not aware of any fraud" at Busang, Loa Duri or Bre-X. A former colleague suggests that Felderhof's extreme hullishness about Busang reflected his usual – if irrational – exuberance about gold prospects.

Walsh, now a Bahamas resident, has stayed in Canada to face the litigious wrath of investors. He has called in the Mounties to probe the fraud. Yet, considering the capital investment required to mount the huge drilling and testing operation, even a non-technical person like Walsh might hava suspected that something extraordinary was going on. At the very least, he was willing to reap profits without asking questions, a failure he shares with many people, within and without Bre-X, dazzled by a golden dream.

By Kenneth Gooding and Clay Harris in London, James Kynge in Balikpapan and Samarinda, Justin Marozzi in Manila, Scott Morrison in Vancouver, Manuela Saragosa in Jakarta and Bernard Simon in Toronto.

De Guzman's final days

Jim Boh Moffett's call on March 12 this year couldn't have come at a less opportune moment. David Walsh, John Felderhof and Michael de Guzman of Bre-X Minerals were in Toronto basking in the limelight at the Prospectors and Developers Associetion of Canada's annual bash.

Felderhof had received the prospector of the year award at a glittering banquet two days earlier. Everyone wanted to meet the men who had made the gold discovery of the century st Busang, in the jungles of Borneo.

But tha mood on March 12 at Freeport McMoRan's head office in New Orleans was far from celebratory. Moffett, the Texan who heads Freeport, had heen told by his geologists an hour earlier that they had found virtually no gold in the first three holes they drilled.

Moffett needed an explanation, and fast. He spoke to Walsh who put Felderhof on the line. Felderhof initially wondered whether Freeport had "mixed up the drill holes". Moffett matter-of-fectly said that there was a more serious problem. He asked Walsh to send a senior person to Busang "to help us understand" the discrepancy. Walsh assured him that de Guzman, head of exploration, would be dispatched immediately.

De Guzman checked out of his deluxe room at the Royal York hotel the next morning. He had less than a week to live. According to the official account, he jumped to his death from a helicopter on March 19 on his way to a showdown meeting at Busang.

His final days have been reconstructed through interviews with friends and husiness acquaintances. Most support the official version. But gaps and contradictions have fuelled rumours that he was murdered or escaped.

From Toronto, de Guzman flew to Hong Kong, where he arrived oo March 15. At the airport, awaiting his connection to Singapore, he spent most of the time on a mobile phone, speaking in Indooasian. A colleague there says he did not look ill, but "he looked busy and not at ease". In Singapore, de Guzman visited a doctor before flying to Indonesia.

He spent the night of March 18 at Balikpapan in south-east Borneo. Arriving from Jakarta, he had been picked up at the airport hy a Bre-X driver and Rudy Vega, a metallurgist and the last Bre-X employee to see de Guzman alive. Vega did not usually meet de Guzman at the airport.

A friend of de Guzman's who spoke to him before he left Jakarta says he seemed normal and showed no signs of depression. The driver says de Guzman stopped to hny some writing paper because he was going to do some work. Afterwards, they drove to the Benakutai Hotel, where De Guzman and Vega stayed in peothouse suites.

Lilis de Guzman, the most recent of his several wives, says he rang her that olght to arrange dinner in Samarinda on March 20, after he returned from Busang, to celebrate her birthday and their first wedding anniversary. Mrs de Guzman says this shows he was not planning to commit suicide, leading her to believe he is still alive.

> 'His face was unrecognisable. He could only be identified by the jeans he wore'

Tha next morning, according to Edy Tursono, a helicopter pilot for Indonesia Air Transport, de Guzman showed up 70 minutes late for the planned flight to Busang, with an intermediate stop at Samarinda, where Bre-X had an office.

They left Balikpapao at 9.10am. Also on board were Vega and an Indonesian helicopter engioeer, Andrian Maila. At Samarinda, the pilot says, de Guzman changed oot of his shorts and put on trousers and a denim jacket over his T-shirt. Vaga remained in Samarinda, while the remaining three took off at 10.13am for Busang.

De Guzman sat next to the door on the back seat with his seat belt fastened; the engineer was oext to the pilot in the front seat. The pilot says that at 10.30am, at an altitude of 800ft, he heard a ooise at the rear. "It sounded as if something hit the helicopter," he adds. "I heard the sound of wind rushing in. It took about four or five secoods to steady the plane. The denim jacket he had hung ou the seat in froot of him was still there. When I reduced speed I looked back and the engineer also looked hack and the engineer said: 'Mike is oot there. He's gone.'" Neither man saw de Guzman leave the aircraft.

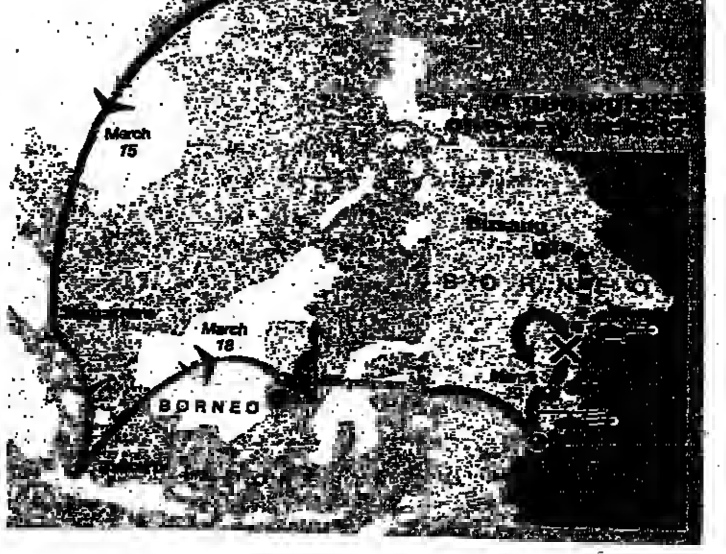
The pilot descended to 150ft and circled for about 25 minntes, but could see no trace of de Guzman. He satellite-marked his location and radioed to his company's Jakarta office, which told him to return to Samarinda.

A body was found four days later. A news agency reported: "His face was unrecognisable and his body apparently disembowelled hy wild pigs. Diplomatic sources say ha could only be identified by . . . the jeans he wore." In Samarinda, Lilis de Guzman was refused permission to see her husband's body.

But de Guzman's brother Jojo saw it three times. "I have absolutely no doubt that it was him and I was more convinced when I saw the body being autopsied hy the [Philippines National Bureao of Investigatiou]," he says in Manilla. "It was the NBI which said it was him as far as fingerprints were coocerned." Diego Gutierrez, acting NBI head, confirmed that the body autopsied was de Guzman's.

But this does not lay to rest donhts about his fate. The de Guzman family, especially, has pointed to contradictions.

Initially de Guzman "fell", then he "jumped". Some say the helicopter flew on to Busang; the official version now is that the pilot turned back to Samarinda. Why did neither the pilot nor the engineer turn around the instant they heard the loud noise of tha door open behind them? Why did it take four days to find the corpse? It was only 100 metres from where the pilot says he marked co-ordinates.



Why did the pilot volunteer the information about de Guzman's change of clothes, in light of the role his jeans played in identifying the body?

Why were there such disparities relating to a "suicide" note or notes allegedly left by de Guzman? Was it written on the flight, or just shown to the pilot? Why have the originals of letters not been given to their intended recipients, including his family?

Whan were de Guzman's belongings examined? The pilot says it was on March 19, shortly after he returned to Samarinda. But a senior airport official says he was present when the suitcase was opened for the first time the next day. And where is Rudy Vega, the last Bre-X employee to see de Guzman? Vega has been seen in Jakarta, but da Guzman's family has tried unsuccessfully to contact him since he returned to the Philippines, allegedly to Surigao in southern Mindanao.

Warning of threat to growth from systems 'bomb' and need to adjust to Emu

Europe 'faces computer chaos'

By Alan Cane in London

Europe faces economic and social chaos unless companies take the "millennium bomb" seriously and British companies modify their accounting systems for European monetary union, the information technology minister in the last government warned yesterday.

Mr Ian Taylor, who held the post for three years until the government was ousted in the May 1 general election, fought to raise awareness of the dangers inherent in many computer systems unable to distinguish this century from the next.

He warned the new government at a trade conference in London yesterday that the need to use all its computing resources to tackle the "bomb" could bamper its ambitious reforms.

The "millennium bomb", a consequence of the software practice of coding years as two digits rather than four – 97 rather than 1997 – and the need to modify computer systems to take account of a single currency, are emerging as significant threats to sustained business growth after 2000.

Mr Taylor said most UK companies were aware of the danger, bnt too few were taking steps to solve either problem. On the European mainland, however, companies were indifferent to the "millennium bomb" but took tha naed to modify their systems for a single currency seriously.

"There is a lack of awareness of tha competitive disadvantage to British companies of being unprepared technically for Emn – whether the UK is a member or not," he said.

The cost of solving the problem has been estimated at £31bn ($50.2bn) in the UK alone and will involve some 300,000 computer staff. Computer experts emphasise that the problem can be solved, but companies must assess the extent of their exposure and start remedial work urgently.

Mr John Battle, Labour's minister for scienca and technology, said yesterday: "The century date change issue is a real problem that cannot be wished away. I am concerned to ensure that businesses are aware of the problem and realise how little time there is left to tackle it."

Dutch minister welcomes Labour

By Liam Halligan, Political Staff

Britain will have "more room to produce results in Europe" under Labour, Mr Hans van Mterlo, foreign minister of the Netherlands, said in London yesterday. "I am very encouraged by the prospect of a fresh start for Britain in Europe under Tony Blair's government."

Given the Dntcb presidency of the European Union and the prospect of the Amsterdam inter-governmental conference in June, Mr van Mierlo's words will be seen as a strong endorsement for Labour on the continent.

"The Amsterdam summit offers a great opportunity for the new British government and its European partners," Mr van Mierlo said, describing Labour's decision to end the UK's opt-out from the social chapter as "very good news indeed".

He described as "regrettable" the attitude to Europe displayed by the former Conservative government. "It is old-fashioned to be as anti-European as Britain has been in recent years, and the British electorate has now shown it is not against Europe," he *said*. The future of Europe "bears little similarity to the European superstate which haunts the British debate," he added.

Mr van Mierlo argued that because Britain is "generally rather fond of the single market", it should support an extension of qualified majority voting – the idea that changes in European law should not require consensus agreement. "The singla market would never have become a reality if it has taken the route requiring consensus decision making," he said, arguing that the need for QMV becomes greater as the EU expands.

Mr van Mierlo spoka against Britain holding a veto over further integration between other European states. "We suggest that the UK take part in those elements in which it may have an interest while permitting others to co-operate according to their own needs."

He also repeated his call for Britain to end its opt-out on common border controls, describing them as a "necessary complement to the single market".

On the extension of the EU to incorporate central and eastern Europe, Mr van Mierlo said: "Some countries will join at different times to others. But only a fool who has learned nothing from history can believe that peace and prosperity can flourish in one part of Europe, without regard for what is happening in the other."

MPs are told not to oppose devolution

Financial Times Reporters in London and Edinburgh

The government is trying to gag Labour MPs and party members on the issue of Welsh devolution. Its efforts come amid fears that the people of Wales might reject the proposal for an elected assembly in the region.

In another sign of the government's tough disciplinarian streak, MPs were yesterday warned they risked deselection if tbey campaigned against the assembly.

In a highly unusual further move, senior government officials warned local Labour party activists they could be expelled from the party if they added their voices to the "no" campaign.

The government yesterday took the first steps towards setting up a Welsh assembly and a Scottish parliament by publishing a referendum bill, allowing referendums on the issue in Scotland and Wales, probably in September.

Ministers are confident of comfortably winning the vote to set up a parliament in Scotland, but the party leadership is worried that it may lose the referendum in Wales.

Labour has always known that winning the devolution argument in Wales would be tough. In its 1979 devolution referendum, the Welsh voted four to one against.

Traditional Labour socialists from former industrial heartlands do not like the idea that one-third of the assembly will be elected on the basis of proportional representation, allowing a greater share of seats to rival parties including Plaid Cymru (Wales party), which campaigns for full independence. Plaid Cymru will attempt to amend the referendum bill for the vote to include a question on independence. The devolution timetable will be brisk. The five-clause referendum bill is expected to become law by mid-July.

The government will then publish separate papers on its proposals for Scotland and Wales for consultation during August. A referendum is expected in Scotland on September 11 with a poll in Wales on September 25.

The Scottish referendum will pose two questions: whether there should be a Scottish parliament and whether it should have tax-varying powers. The Welsh will be asked only one question: whether there should be a Welsh assembly. If the referendums produce "yes" answers, legislation would be pushed through parliament by July 1998 with the first elections in May 1999.

The cost of the referendums and preliminary work on the new parliament and assembly has been estimated at up to £48m ($77.76m).

● Staff at the government's GCHQ communications centre will be free to join any trade union they choose, Mr Robin Cook, the foreign secretary, announced yesterday, Robert Taylor writes. His statement ended a ban on trade unionism at the headquarters of UK intelligence operations imposed in 1984 by the Conservative government headed by Baroness Thatcher. "Today is a day for celebration," said Mr John Monks, the Trades Union Congress general secretary. "The ban on trade union rights at GCHQ has always been a blot on Britain's reputation for democracy and bnman rights."

Philip Stephens, Page 16

■ MINISTERS WHO WILL RUN THE REGIONS

Donald Dewar · Peter Hain · Henry McLeish

Of the 23 members of the cabinet, seven are Scots, and not surprisingly one of them is chief minister for Scotland. Donald Dewar, who will be 60 in August, is one of the oldest of Labour's ministers and one of the few who has served in a previous Labour administration. The son of a dermatologist, he was educated in Glasgow, at schools and the city's university. He first entered the House of Commons 31 years ago and was given a junior post in the trade ministry a year later. He is a long-standing supporter of limited devolution who has survived a series of election challenges from Scottish nationalists. Peter Hain, as minister for economic development in Wales, is responsible for one of the UK's most successful areas at winning inward investment. Mr Hain, 47, was brought up in South Africa, but his family was forced to leave because of its anti-apartheid activity. He began his political career in Britain as a member of the old Liberal party, and in the 1970s was a prominent member of the anti-apartheid movement. He led the successful campaign to have the 1970 South African cricket tour of England called off. Henry McLeish is the junior minister responsible for Scottish devolution. The son of a manual worker, he came to parliament with more than a decade of experience in Scottish municipal government. He was also once a professional soccer player with clubs in Scotland and England.

Exchange fines brokers by mistake

By Christopher Adams in London

Stockbroking firms in the City of London have been wrongly fined several thousand pounds each because of teething troubles with Crest, the electronic share settlement system.

The London Stock Exchange admitted yesterday that many of its members had been fined in recent weeks when Crest was actually at fault for their apparent failure to settle deals.

It blamed problems with Crest for a sudden upsurge in disciplinary action last month. The system generated several thousand wrong deliveries because of an error in its software.

This is not the first time Crest has experienced problems during its short life. It caused severe disruption in March when software crashed and created a backlog of over 100,000 unsettled transactions.

The system will face its most severe test in June and July when 10m people will receive shares in the Halifax and Woolwich building societies (savings and loans) and life assurer Norwich Union.

Last month's problem occurred as many small investors carried out so-called bed-and-breakfast deals – selling shares and buying them back to minimise capital gains tax before the end of the tax year.

The LSE said it would waive all the fines it had levied during April and May. It has also decided to abandon the interim disciplinary regime introduced to regulate settlement while Crest took up the reins from Talisman.

"We're chuffed to bits," said Mr Glen Cooper, office manager at Walker, Crips, Weddle and Beck, the small private client stockbroker. At £20 per transaction, it is possible that many small companies were hit with fines of £1,000 a day.

But the LSE said the decision to drop its disciplinary regime until Crest sets up its own should not be misinterpreted.

"It's not a carte blanche saying to member firms you can do what you want and we won't take any notice," an official warned.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

Provisional Price for 15.05.1997 · Final Prices for Trading 18.04.1997

1/2 hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh	TS use of system price £/MWh
0030	14.25	13.94	14.10	0.82
0100	14.80	11.66	11.66	0.00
0130	14.80	13.94	14.19	0.82
0200	14.25	13.94	14.19	0.82
0230	14.25	13.94	14.19	0.82
0300	14.25	13.94	14.19	0.82
0330	14.25	13.94	14.19	0.82
0400	14.25	13.94	14.10	0.82
0430	14.25	13.94	14.19	0.82
0500	14.25	13.94	14.19	0.82
0530	11.80	13.95	14.20	0.82
0600	11.80	13.95	14.20	0.82
0630	11.80	13.95	14.20	0.82
0700	10.82	22.36	22.61	0.82
0730	10.73	24.00	24.25	0.82
0800	24.02	25.13	25.40	0.82
0830	29.44	31.44	31.71	0.82
0900	29.46	38.47	38.75	0.82
0930	28.46	47.68	47.98	0.82
1000	29.46	47.82	47.98	0.82
1030	29.50	38.45	38.73	0.82
1100	29.51	25.39	25.67	0.82
1130	31.91	25.39	25.66	0.80
1200	31.80	25.38	25.66	0.82
1230	31.90	25.38	25.63	0.82
1300	31.84	25.33	25.60	0.82
1330	25.42	24.01	24.29	0.82
1400	24.53	24.00	24.25	0.82
1430	24.53	24.00	24.80	0.82
1500	24.52	24.00	24.24	0.82
1530	23.74	24.00	24.24	0.82
1600	23.24	22.52	22.77	0.82
1630	23.24	26.01	23.28	0.82
1700	35.86	31.36	31.91	0.82
1730	35.86	31.36	31.31	0.82
1800	35.86	31.38	31.81	0.82
1830	20.87	22.52	22.77	0.82
1900	15.73	22.38	22.61	0.82
1930	15.73	22.01	22.26	0.82
2000	15.73	22.36	22.61	0.82
2030	11.80	33.67	33.92	0.82
2100	11.59	42.68	42.93	0.82
2130	35.86	42.68	42.93	0.82
2200	35.80	33.67	33.92	0.82
2230	35.89	22.36	22.61	0.82
2300	15.73	10.12	19.38	0.82
2330	15.73	11.94	11.89	0.82
2400	15.73	11.60	11.80	0.82

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.86/MWh becomes 1.686p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreement which governs the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. The Transmission Services Use of System Price (TSP) is charged by the National Grid Company plc (NGC) for the operation and development of its electricity transmission system for the purpose of optimising the costs arising from the operation of that system. Charges are calculated by NGC and are based on payments made by NGC into the Pool. TSP is also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool and on TSP on behalf of NGC by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0115 945 6789 between 8.30am and 5.15pm Monday to Friday.

Film makers are awarded $150m aid

Financial Times Reporters in Cannes and London

The Arts Council yesterday refocused the UK film industry by awarding £92.25m ($150m) in National Lottery funds over six years to create three film production franchises, or "baby studios".

About 37 consortia applied for the franchises.

The winners are: Pathé Productions, led by Pathé Pictures, the French film group; DNA Films, founded by Mr Andrew Macdonald and Mr Duncan Kenworthy, producers respectively of *Trainspotting* and *Four Weddings And A Funeral*; and The Film Consortium which is backed by Mr Richard Branson's Virgin Cinemas.

PolyGram, the Dutch entertainment group, will provide UK distribution for all DNA's films. The franchise scheme coincides with a revival in the fortunes of the notoriously fragile UK production sector.

It is regarded as the most important film industry initiative for decades.

Mr Chris Smith, chief arts minister, described it as the start of an "exciting strategy" when announcing the franchise winners at the Cannes Film Festival yesterday.

He hoped the franchises, coupled with measures to be implemented after a review of the creative industries, would help UK films double their share of the domestic box office to 20 per cent.

The Arts Council formulated the franchise scheme. Its aim is to alleviate the industry's traditional weaknesses by creating financially stable companies capable of funding their own pictures and commissioning projects from other producers.

The council was entitled to award four franchises, each receiving up to £39m of lottery funds over the six-year subsidy period, but limited itself to three, none of which will be given more than £33m.

Doubts on $1.6bn from airwave sale

Government hopes may be dashed if analysts' downbeat predictions are correct

Auctions of the radio spectrum to users such as telecoms operators will not generate significant proceeds before 2000, according to analysts. The government expects the auctions to raise more than £1bn ($1.62bn).

Sale of the radio frequencies, flagged as one of the former ruling Conservative party's big ideas before the election and taken np subsequently by the new Labour government, may not therefore compensate for declining revenues from traditional privatisations.

"I wonder whether the Labour government pushed this bill in the expectation of raising a quick £1bn, when there is a question about whether the frequencies are worth that much," said an analyst at a US investment bank.

The UK government, stung by the accusation that the radio spectrum sale amounted to a 10p a week levy on mobile phone users, also downplayed the financial impact of the measures.

"There is no mobile phone tax," said Ms Margaret Beckett, president of the board of trade. "This measure is about the more efficient allocation of spectrum in the future."

The revenue potential in the proposal, part of the wireless telegraphy bill outlined in the Queen's Speech on Wednesday, is limited by the fact that the auctions will apply only to new blocks of frequency.

Most existing licences for mobile operators are for a term of 25 years. Vodafone's, for example, has another 21 years to run. There is no suggestion in the legislation that established operators should bid again for their licences.

The 1800 MHz frequencies used for the most recent generation of mobile phones, which the US government sold off for $10.2bn in the so-called C-block auction in 1996, bave already been allocated in Britain to Orange and One 2 One.

The next licence available for auction in the UK is that for Universal Mobile Telecoms Services, which will occupy a frequency above 1800 MHz and is most likely be used for mobile datacommunications.

Estimates of the value of new frequency bave also been hit by evidence that bidders in the C-block auction in the US overpaid. One successful bidder has since asked for bankruptcy protection and another has had to hand back its licences.

● A report carried on Wednesday by the Bloomberg news service, which confused the contribution of radio to gross domestic prodnct with charges for using the radio spectrum, prompted a dip in the share prices of several mobile operators.

But analysts and telecoms executives were unmoved. They said wireless operators knew that charges were increasing. Vodafone has already budgeted an increase in licence charges from £1.5m last year to about £15m a year by the turn of the century.

"If Labour is just talking about implementing the original Conservative government's plans, there is no reason for the stock price to have reacted negatively," US investment bank Morgan Stanley told investors.

However, One 2 One, the mobile operator owned by Cable & Wireless of the UK and US West, the regional Bell operating company, criticised the government's discrimination against the private sector.

Nicholas Denton

UK NEWS DIGEST

US company in Scots venture

A US company that runs medical trials for drugs companies is to create as many as 240 jobs in Glasgow, Scotland. Tennessee-based Clintrials is one of several such contract research organisations (CROs) to expand in Europe. Another, Quintiles, paid £12m ($19.44m) for an Edinburgh site in 1995.

The UK is the largest centre in Europe for CROs, with about 40 per cent of the continent's capacity. The sector is growing rapidly as pharmaceuticals companies seek to cut their costs by contracting out some of their product development work.

In addition, the rapidly growing biotechnology sector consist mainly of companies strong on basic research but inexperienced in treating patients.

Scotland has a cluster of biotechnology companies, most notably PPL Therapeutics which is associated with Dolly the sheep, the first cloned mammal, as well as academic centres in the life sciences. *Daniel Green, London*

■ DUTY FREE SALES

Abolition 'threatens 33,000 jobs'

Up to 33,000 jobs in the European ferry industry and tourism could be lost and half the ferry services serving Britain and Ireland could be withdrawn if the European Union abolishes duty-free sales in June 1999, the Duty-Free Confederation said yesterday. It represents ferry companies, airlines, retailers and manufacturers.

The report marked the start of a campaign to persuade governments to authorise a further extension of cross-border duty-free privileges originally planned to end when the single European market was created in 1993.

"Duty free is not just a valuable perk for the holiday motorist, it is an integral part of the funding of sea and air travel," said the confederation.

European ferry operators, which are already under pressure from the opening of the Channel tunnel between England and France, could be back in profit by 1999 if duty-free is kept but will continue to make heavy losses if it is abolished, the report said. *Charles Batchelor, London*

■ CHANNEL TUNNEL FIRE

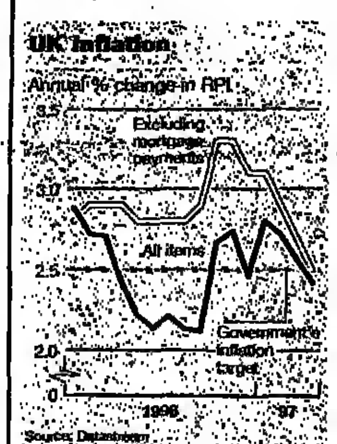
Trains decision is delayed

Eurotunnel, the company which operates the Channel tunnel between England and France, will have to wait at least another week before hearing if it can restart freight shuttle services through the tunnel.

The company had hoped to get the go-ahead from a meeting of the Anglo-French intergovernmental commission in Paris yesterday. But the commission did not give its approval and will not meet again until next Thursday. Eurotunnel had hoped to start a free pilot service as soon as repairs to the fire-damaged tunnel were completed on Tuesday though it does not plan to start a commercial service until June 15. It was severely criticised for failings in its safety management in a report this week by the tunnel safety authority. *Charles Batchelor, London*

■ THE ECONOMY

Ex-government's 2.5% target met



The annual rate of underlying inflation – the retail price index excluding mortgage payments – fell to 2.5 per cent last month, the Office for National Statistics announced yesterday. The rate matched the target set before the general election by Mr Kenneth Clarke, who was chancellor of the exchequer in the Conservative government. Mr Gordon Brown, the Labour chancellor, has inherited an economy with inflation at its lowest rate for nearly two and a half years. The ONS said that falls in motoring and petrol costs, and an "unusual" dip in the prices of used cars in response to competition from new car sales helped the underlying rate to be 0.2 per cent lower in April, from 2.7 per cent in March. The retail price index (RPI) rose to 156.3 in April, an annual rise of 2.4 per cent. The RPI was 155.4 in March, an annual increase of 2.6 per cent. The RPI excluding mortgage payments was 155.8 last month, compared with 154.9 in March. *Richard Adams, London*

■ MACHINE TOOLS

Export rise confounds forecast

Exports of machine tools rose 20.3 per cent in the first quarter of this year compared with the equivalent period in 1996, the Office for National Statistics said yesterday. The data confounded expectations that tool sales outside the UK had been hit by the high pound. The strong export performance was offset by sales by the industry in the UK falling 8.4 per cent over the same period on a seasonally adjusted basis. That led to total turnover of the industry rising 2 per cent between the two quarters. Separate figures yesterday showed UK steel production in April up 8.6 per cent on a year previously to a weekly average of 375,843 tonnes. *Peter Marsh, London*

■ COMMERCIAL VEHICLES

Truck sales drop sharply

Registrations of trucks last month were down 12.3 per cent year on year, to 3,690 from 4,257, the Society of Motor Manufacturers and Traders reported yesterday. Heavy trucks, comprising vehicles over 15 tonnes, were hardest hit, with April's registrations down 33 per cent at 2,134.

The trucks market is still suffering from the effects of the introduction of stricter exhaust emissions standards last October. The European Union standards increased the cost of trucks, leading many operators to pull forward fleet orders to beat the October deadline.

There was an upsurge in registrations of light vans which left the total commercial vehicle market in April 5.2 per cent higher, year on year, at 23,009 (21,857). The total for the first four months, however, was 1.3 per cent lower at 88,867. One consolation for UK-based manufacturers was a drop in importers' share of the market for commercial vehicles of all types. *John Griffiths, London*

UK truck registrations: April 1997

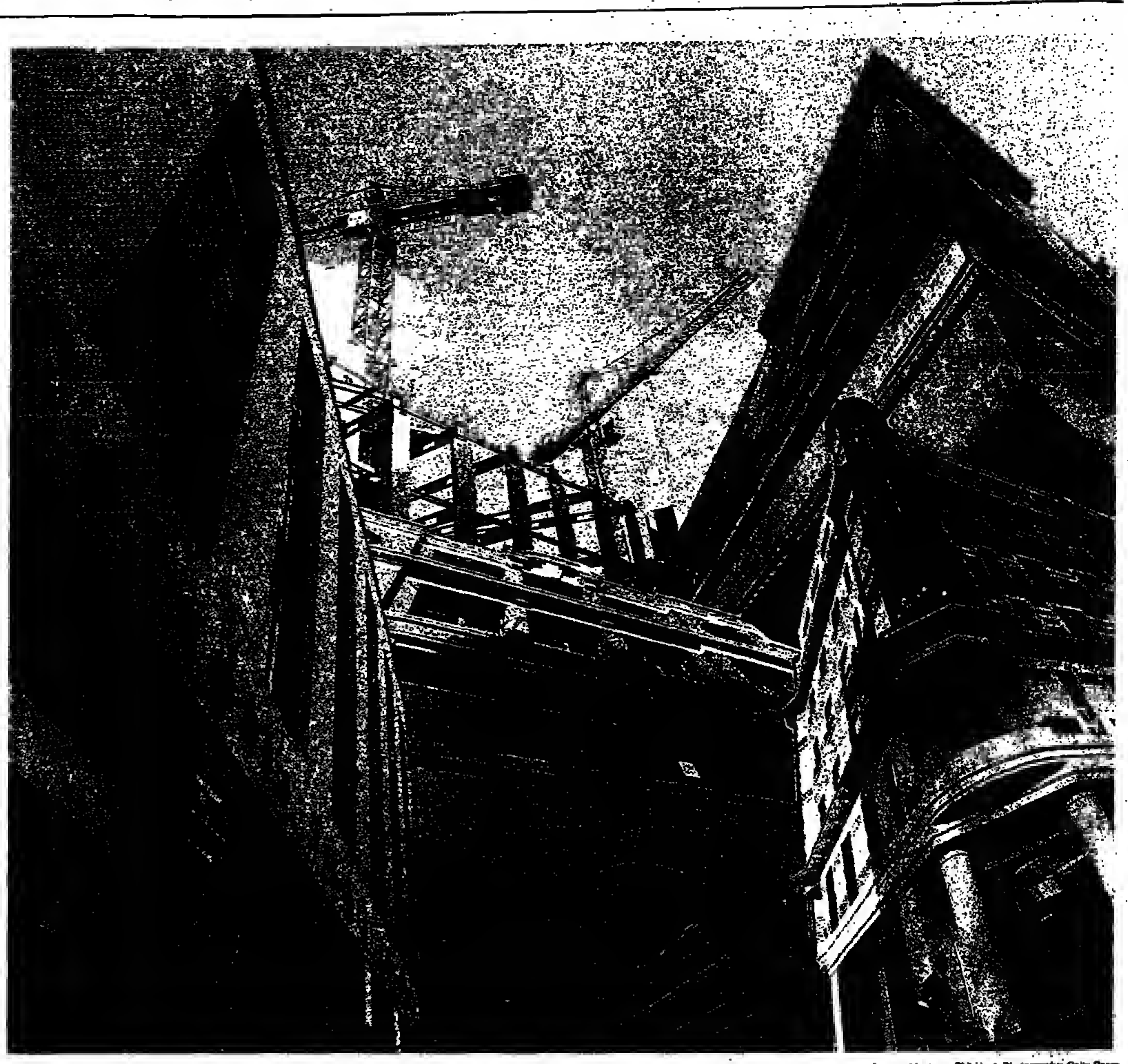
	Apr 1997 Volume	Apr 1997 % change	Apr 1997 % share	Apr 1996 % share
Total	3,690	[illegible]	100.00	100.00
Imports	2,349	-12.51	63.66	63.07
[illegible] (Daf Trucks)	802	[illegible]	[illegible]	[illegible]
Iveco Group * (Fiat)	636	-9.14	17.24	16.44
Mercedes-Benz (Daimler-Benz)	606	-27.25	[illegible]	[illegible]
Volvo	465	23.02	12.60	8.86
Scania (Investor)	351	[illegible]	[illegible]	[illegible]
MAN	309	-10.43	8.37	8.10
[illegible]	203	17.5[illegible]	[illegible]	[illegible]
Renault	138	-31.68	3.74	4.75

Names in brackets indicate ownership · * Includes Iveco, Ford and Seddon Atkinson
Source: Society of Motor Manufacturers and Traders; Industry estimates

WEST END PROPERTY

As the economy expands, the handful of new schemes under way could be insufficient to cope with the demand for space from big tenants, says **David Lawson**

Tiny tip of a giant iceberg



Montage: Phil Hunt. Photographs: Colin Beere

The media flocked to the City of London this month in search of clues about the future for business under a new government. They should have looked closer to home, as tha hard evidence is sitting on the doorstep of many broadcasters and publishers.

Two of the world's leading companies, Concert and GEC, are confident enough to be considering top rents for headquarters in the West End. Another 50 organisations are said to be looking for substantial new space.

The West End is used to being overlooked. It is generally seen as a lifestyle centre rather than the leading edge of the economy. Yet this is the traditional home for most of the major manufacturing and service companies that are benefiting from the economy's upswing. Whether they have room to expand is another matter.

The property industry is buzzing with the news that Concert, the planned £12.5bn-merger of British Telecommunications and MCI, the US long-distance carrier, is set to take an office block in Berkeley Square at a record rent of more than £52 a sq ft.

Meanwhile GEC appears to have ended its long search for a new home by settling in the former Time-Life building in Bruton Street, where asking rents are about £45 a sq ft.

This could be the tiny tip of a massive iceberg. Property consultants Jones Lang Wootton says that more than 50 companies are in the market for similar buildings of 50,000 sq ft and above. However, there is nowhere for them to go.

"There are only two buildings of this size available but both are outside the West End core and both are second-hand," says Stephen Newbold of property consultants Knight Frank.

BAT discovered this problem last year when it decided to bring staff from Victoria, Staines and Woking into what it hoped would be a core 200,000 sq ft West End building. Philip Dawe of property consultants Richard Ellis had to break the bad news and the company settled at Globe House on the Embankment.

This classic mismatch of supply and demand appears to have all the hallmarks of a return to the boom when rents raced as high as £70 in the West End. But appearances can be deceptive.

Despite a surge of potential demand through consolidation, lease expiries and expansion, occupiers are taking their time to choose the right space this time around, says Mr John Forrester, central London offices director for DTZ Debenham Thorpe. GEC spent three years looking for its new home.

Occupiers could take many years to dispose of existing space. They will also demand a better deal for new premises than during the boom. Business services and media are the growth areas, and they will not pay huge rents.

The Concert deal may be one-off. It has happened before in Berkeley Square, when Cadbury-Schweppes and Saatchi & Saatchi set "benchmarks" which proved well beyond the rest of the market.

"Real" prime rents remain stubbornly static at £40 to £45, and these are for landmark buildings in Mayfair and St James's. Even good second-hand space here will rarely reach £30 a sq ft.

But media industry demand has narrowed the gap with areas such as Soho, Fitzrovia and Victoria. Reed Elsevier recently set a £33 high when taking 25 Victoria Street, and CIS is quoting £35 on 72,000 sq ft Parnell House in Wilton Road. Rents in Standard Life's Endeavour House on Shaftesbury Avenue have risen from £24 on the first letting to Emap early last year to asking levels of almost £30 on the remaining two floors, says Chesterton's *Mr Ralph Pearson*.

This mismatch of location is compounded by a mismatch of size. More than 85 per cent of the available space in the West End is in chunks of less than 10,000 sq ft. That might suit a market where the vast majority of deals take place at this bottom end of the market but it leaves little elbow room for larger businesses.

Agents are optimistic that the position will improve as more buildings come on stream over the next couple of years and are expecting annual rent increases about 10 per cent. But this will vary from area to area.

So will demand, which is polarising between those who want location at the expense of efficiency and those for whom efficiency is more important than location, says Rupert Dodson at Healey & Baker.

"Tenants are also more educated than in the past," says Mr Dodson. "They know the difference between a good and a bad building. The question is, do landlords?"

Mr Forrester insists that they do, calling the current batch of schemes the first generation of wall-researched buildings which match occupier demands.

Those are for more efficient, flexible space rather than traditional West End marble and panelling, according to Mr Martin Moore, head of Prudential Property. He faced a barrage of brick-bats for an adopting an austere approach to the design of 30 Berkley Square, but insists that this is what even high-tech tenants like Concert now demand.

The marble will also be missing from his next development, a 70,000 sq ft block in St James's Square.

Economy is also behind redevelopment of the former MI5 HQ in Curzon Street. It is by no means austere, and at 200,000 sq ft, it is one of the few buildings that is big enough to meets tha needs of prospective tenants such as Arthur Andersen or Mobil.

But that is not the main reason why Development Securities and the German fund CGI are creating a large block rather than several smaller ones.

Occupiers find it cheaper to take flexible space on a few floors of a multi-let building rather than several of their own individual blocks, says Mr Forrester.

MEDIA • by David Parsley

A new source of enthusiasm

West End estate agents are starting to benefit from the sector's confidence

While most traditional West End companies remain cautious about expansion the media industry is feeling as brash and enthusiastic as it did in the late 1980s – and West End estate agents are benefiting from this confidence.

Soho is thriving and its property agents are rubbing their hands with glee. Some estate agents say that the media industry, including the communications sector, represents almost 50 per cent of current demand in the area.

Mr Mark Phillips, director at media specialists Edward Charles & Partners, believes that the media industry is still driving the West End market, with demand emanating from service providers, the big television companies, and advertising agencies.

He says: "Demand from these companies is elastic. Occupying 6,000 sq ft this week, they may have a requirement for 15,000 sq ft in a fortnight."

Mr Phillips points to the example of Computer Film: "The firm recently took a long lease on tha old Columbia Tristar building in Wells Street W1. It took 20,000 sq ft with a view to sub-letting half the space. Less than a month later it opted for the whole building."

While it was understandable that media tenants should take more space in the early 1990s, when prices were depressed, with rents rising – albeit at a snail's pace – it might be expected that most of these companies would crawl back into their shells and make do with what they had.

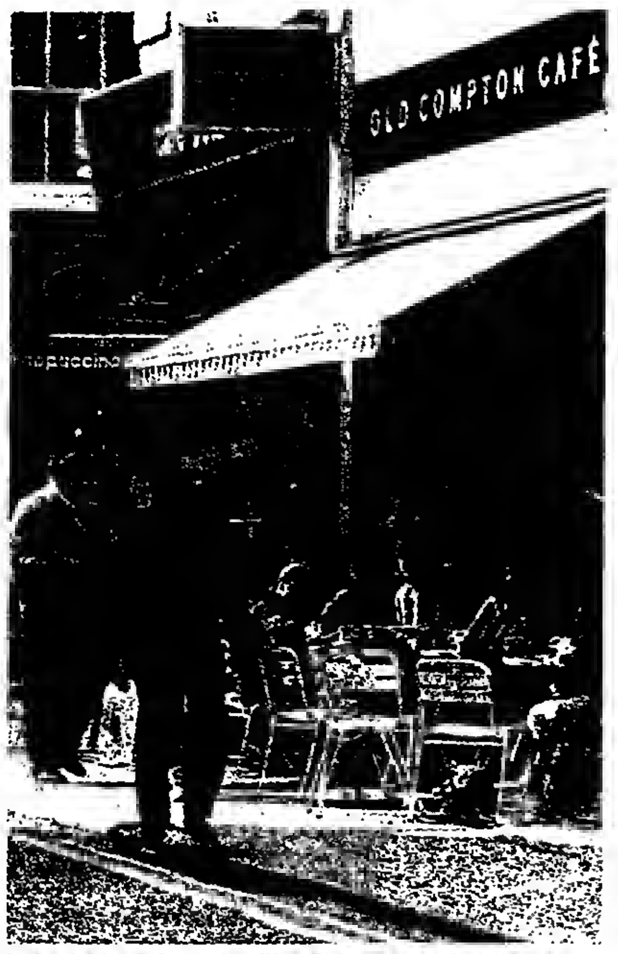
There is also an acute shortage of what are traditionally regarded as media-style offices in media-style locations: cheap, jazzy buildings with a creativa feel at about £27 a sq ft.

Advertising gurus Maurice and Charles Saatchi secured one of the few prime media locations left when they took a 20-year lease at Soho's 36 Golden Square, the former headquarters of Granada, at £25 a sq ft.

As a result of space shortages Soho and Covent Garden have seen some of the fastest rental growth in the past two years.

The property group MEPC's self-contained building at 167 Wardour Street exemplifies this. It remained available for six months until January, when film company VTR fought off three other bidders and secured the building on a new five-year lease, at £27.50 a sq ft.

Non-core areas of the West End are improving on the back of the strengthening market. The shortage of self-contained floors in Soho and Covent Garden has benefited the area north of Oxford Street, which is providing overflow accommodation for companies that are unable to squeeze into Soho or Covent Garden.



In the thriving Soho market, West End agents are benefiting from the media industry's confident mood. Some believe the sector represents almost 50 per cent of demand in the area *Lydia van der Meer*

Companies such as Omnicom, which is searching Paddington for 200,000 sq ft, and The National Magazines Company, which is looking for between 80,000 sq ft and 100,000 sq ft, have found it impossible to fit into Soho or Covent Garden.

Warner Bothers also has a new requirement for about 100,000 sq ft and is believed to be considering sites at 14-17 Great Marlborough Street and Regents Place on Euston Road – National Magazines might also be after the latter space.

Mr Archie Cowan, a partner in the West End agency department at Knight Frank, says that media companies have been looking to find a second home for some time, now that their much-loved Soho can no longer accommodate them. He predicts that Victoria might be the place to base a new media town.

Mr Cowan ssys: "When you look at the rest of the West End market, Victoria does appear to be an obvious choice. Hammersmith is full up, Kensington and Knightsbridge are tight, as is Soho. Only Victoria, and maybe north of Oxford Street, can offer decent amounts of space at value-for-money rents.

"The media industry is not location sensitive, or at least it shouldn't be, but does like to be together. With Abbot Mead Vickers seriously considering Victoria for about 60,000 sq ft and [the advertising agency] DMB&B's move to 123 Buckingham Palsce Road, other media firms are sure to consider the area."

DMB&B paid £27.50 a sq ft for its space, which also points to Victoria being able to offer space at about that crucial £27 a sq ft mark.

Mr Cowan accepts, however, that media companies are keen to keep to their traditional stamping ground if possible.

Advertising company Ammeratti Puris Lintas is having to pay an impressive £33 a sq ft for a pre-let on the 40,000 sq ft 25 Soho Square to return to the area from Victoria's Eccleston Square.

With a 15-year lease and one-year rent free, this is the clearest evidence yet that media companies must pay top dollar to be located among their counterparts.

Most West End estate agents agree that the media industry is a crucial element of the market. The deals in the area are evidence of this.

MTV's move to UK House on Oxford Street and Capital Radio's to Leicester Square roll off the tongues of agents.

With such great demand for spaca coming from media-related companies those agents may well be able to look forward to a lot more deals.

PROFILE Grosvenor Estate Holdings

Historic estate claims a new role

A significant deal confirms a move from management to development

One key operator has been overlooked in the uproar over the record rents Concert is believed to be about to pay for a new headquarters in Berkeley Square. As ground landlord, Grosvenor Estate Holdings will share the rewards with the developer, Prudential Properties.

But diplomatic silence has long been part of the Grosvenor ethos. As the private estate of the Duke of Westminster, it has no shareholders to impress.

The Concert rent will set a benchmark that could lead to the uprating of similar assets, many of them part of the Grosvenor commercial estate, which covers most of Mayfair and is estimated already to be worth more than £500m.

There is a lot more to the company than aristocratic passivity, however. The Duke is a hands-on property man rather than an absentee landlord and he has overseen a transformation of Grosvenor through the infusion of new management blood and an ambitious expansion development horizons.

The estate has always been respected for its long-term management expertise. Now, it is claiming a similar role as a developer, competing with some of its biggest tenants.

The next big deal could confirm this transition. While the West End was still deep in recession Grosvenor decided to take on the former British Coal headquarters in Grosvenor Place as a direct development.

This is now the centre of attention because the proposed 200,000 sq ft of offices are among only a couple of schemes in the area that could satisfy demands by space-hungry giants.

Arthur Andersen is widely reported as ready to sign up, but Mr Stephen Musgrave, head of the Grosvenor commercial development team, says only that every leading player has looked at the scheme. The company is almost certain to get a pre-let, but Mr Musgrave attributes this as much to tha design of the scheme as to the buoyant market. These belie Grosvenor's image as a staid guardian of tradition.

"We polled more than 30 potential occupiers about what modern tenants wanted from property, and included their demands," says Mr Musgrave. One important requirement is that occupiers can grow and shrink without substantial alterations to tha structure, so the building - or buildings – are planned around a central "forum" providing built-in flexibility.

Grosvenor has also learned lessons it is now applying to a variety of smaller tenants making up the mainstream of West End business. They are being given the choice of a range of building services to suit their needs and pockets. These include innovative technological techniques such as structured cabling, which can cut fit-out time by 30 per cent.

Technology is also proving an advantage rather than the expected bugbear for the myriad older buildings in the Grosvenor portfolio. Much of the West End's space has been written off as unlettable for modern offices, but Mr Musgrave insists that new technology can be used to rescue this kind of building from obsolescence.

This is of little interest to for those concerned with the rents achieved on the Grosvenor Place building, as they will set yet another market benchmark. However, Mr Musgrave, one of the new generation of managers brought in to add new vibrancy to the company, is suspicious of such indicators.

"It is far more important to provide a range of property with a range of rents," he says.

This is true to the Grosvenor tradition, which sometimes goes for lower rents to get the right mix of smaller tenants.

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RETAIL • by David Parsley

Top names flood the capital

London's position as the world's most fashionable city is attracting leading designers

Shopping mecca: Oxford Street. Strong retail demand and increased consumer spending has led to rental growth — Ashley Ashwood

West End retail is booming again. But while the most fashionable area of the most fashionable city in the world is attracting top overseas fashion houses, success has meant that the nicha Covent Garden area is being forced to alter its image to keep pace.

In an increasingly confident West End property market it is the retail surveyors who have most to celebrate. In the past 12 months the phrase "end of year bonus" has entered their vocabulary for the first time in years.

London'a position as the hippest city is attracting the world'a top names to the the capital'a shopping mecca. Mr Chris Phillips, a partner in Healey & Baker retail department, summed up the optimism of West End retail agents: "In 1996 Bond Street, Regent Street and Oxford Street experienced the most active and buoyant market since the peak of the last retail property hoom in 1988-89. Strong retail demand and increased consumer expenditure, coupled with a lack of supply, have resulted in significant rental growth, particularly in the last three months.

"Consequently, although some evidence is contradictory, the consensus is that rental levels in these three thoroughfares hava finally eclipsed the heights achieved in the late '80s boom."

Bond Street has attracted most attention, not so much for rising rents, but because in conjunction with Sloane Street, it lies at the heart of London's rediscovered role as the centre of the international fashion scene.

Mr Phillips says: "In recent months a veritable Who's Who of the trendiest fashion names have vied with each other to secure large flagship stores – prime positions having been secured by Ralph Lauren, Prada, Calvin Klein, Versace, Donna Karan, Loewe and Tommy Hilfiger in particular."

Size is the buzzword, with a number of these flagships being more than 10,000 sq ft, many being shopfitted to standards that will achieve new levels of interior design and price per square foot.

At 51-52 New Bond Street The White House is relocating its 20,000 sq ft to make way for Tommy Hilfiger. Not to be outdone by foreign competition, UK arrivals include Reiss at 78-79, Jigsaw (126-127), and David Morris at 180 New Bond Street.

The increase in requirements has had its downslde. With their demand for larger units, the retail multiples are starting to threaten one of London's most characteristic retail areas.

Traditionally Covent Carden has heen the home of the small retailer. The area's blend of independent operators has made the old fruit market one of London's most vibrant shopping destinations. But the market may become a victim of its own success.

Mr Stewart Ross, head of research at Montague Evans, says that shoppers have always been attracted to the area by its retail mix, but in the past two years, as consumer confidence has grown and fuelled a rise in retail sales, rents in the area have soared.

The prime locations on Neal Street, James Street and Long Acre have seen Zone A rents reach £300 a sq ft and the market is set to go higher as the multiples start to get a grip on the area.

Mr Ross says: "Many larger retailers have been frustrated for many years by the lack of larger units. However, as a result of site acquisition over the years many of the smaller units may now be redeveloped so as to satisfy market demand."

The recent decision by Marks and Spencer to take a new 33,000 sq ft store on the site of the old Covent Garden General Store highlights the coming trend. M&S will pay £25 a sq ft. The redevelopment will also create a unit of 7,000 sq ft on Long Acre and a second unit and restaurant of 4,000 and 7,500 sq ft respectively on Neal Street.

In Oxford Street, traditionally the home to UK multiples and department stores, retail demand and rental growth has been as bnoyant as Regent Street and Bond Street, with some exceptional transactions agreed in recent weeks.

To the west of Oxford Circus landlord CIN La Salle acquired the leasehold interest in Ravel's 2,500 sq ft store at 248 Oxford Street. Following an informal rental tender 11 hids were received, the successful tenant being Allsports, which is paying a record rent for the street of £380,000 a year.

To the east of Oxford Street the higgest transaction was the letting by Healey & Baker of about 30,000 sq ft on behalf of Littlewoods to Next for its biggest UK store yet.

Regent Street, where availability of space is extremely tight, saw a new opening by Hugo Boss at 184 and Karen Millen shopfitting at 262. All eyes are on the disposal of the 17,000 sq ft Burtons store at 114-120 Regent Street, which offers accommodation for a retailer willing to offer in excess of £1m premium to establish a flagship store.

London's retail agents now rely on the continued confidence among shoppers and retailers in the West End. While London remains the world's hippest city they do not appeared concerned.

CONVERSIONS • by David Lawson

Developers finally grasp the nettle

More schemes are under way as the idea of switching offices to homes catches on

When Mr Geoff Marsh floated the idea of switching commercial premises to homes five years ago, the silence was deafening. "I thought it was a clever wheeze, like futurist ideas about cars changing to solar power and everyone working from home," says one leading landlord. Today, the silence is shattered daily by a cacophony of conversions.

More than 100 bnildings have been finished or given planning approval since the idea took hold in 1993, according to Mr Marsh's London Residential Research. In Westminster, Kensington and Chelsea alone, almost 50 schemes were completed last year providing 1,500 homes.

The early problem was that no-one dared believe commercial property would fail to recover from recesslon. Now lt is generally accepted that many buildings will never he used for offices again. They are just too inefficient for most occupiers, and upgrading would cost too much. Estimates suggest that 15 to 25 per cent of huildings are obsolete – which is a lot of dead space considering the West End has more than 100m sq ft of offices.

It also means there is a lot more to come, considering that only ahout 4m sq ft has been converted so far in central London. "Simple economics show that the whole area north of Wigmore Street makes hetter sense as resldential," says Mr Marsh.

Recovery ln office rents has presented little threat to the trend because residential prices went up even more over the past couple of years – in some cases by 35 per cent. The only pressure is from developers consldering hotels rather than homes, says Mr Marsh. More than 1m sq ft had been approved for these conversions up to the middle of last year.

This has created a frenzy as traders and developers scramble for secondary stock being shed by larger landlords.

Safeland, for instance, has raised £7.5m this year alone from buildings that it bought, gained permission for conversion and then sold on. It has recently pierced the heart of the prime office core, bnying the Great Smith Street library and BTR's building in St James's for similar treatment.

This kind of deal is raising fears that the West End could suffer even greater shortages of prime office stock in future. Even leading names such as Burford have jumped on the handwagon, putting two buildings around St Martin's Lane and the Sanderson Building, Berners Street, into a joint venture for conversion into hotels.

Any building with "light, height and parking" is vulnerable to this trend, providing the floors are no deeper than 60ft and the ceilings less than 7ft 6in, says Mr Marsh. He and consultants Allsop & Co calculate that a fringe huilding let at £15 a sq ft has a likely capital value of £120 a sq ft. Residential conversions are worth £250-350 a sq ft.

But there is a point when conversion loses its attraction. Mr Ralph Pearson of property consultants Chesterton says that when rents hit £20 a sq ft, converters will move on to cheaper pastures.

Even where a landlord has to pay £50 a sq ft to renovate and can let as offices only oo short leases, the return would he better than prices of less than £100 a sq ft heing achieved in sale for conversion, he says.

Risk profiles have also changed. A year ago a landlord would have faced a long void hefore letting offices compared with a delnge of pre-sales for flats. Media companies are scrambling for space, reflected in a 15 per cent jump in rents.

Meanwhile, Far East money, which accounts for a quarter of central London residential investment, could begin to fade as Hong Kong joins mainland China and the pound strengthens.

Tha prime West End property ls likely to be priced out of the conversions market by the end of this year – which comes as no surprise to Mr Marsh, who always believed the best deals were in fringe areas such as Marylehone Road, where Berkeley Homes ls converting Marathon House into flats. But conversion could still make sense on indlvidual buildings unahle to meet modern commercial needs.

Prime targets could be hig period mansions off the main office streets in Mayfair – an apt choice, as they were huilt to live in. The stately homes in areas such as St James's will remain commercial, however, which is ironic when the purpose-built offices of recent decades are gradually switching to residential.

PROFILE Paddington basin redevelopment: phase 1

Regeneration site nears take-off

Proposals for £150m-worth of flats could be followed by office developments

One of the biggest regeneration sites in Europe could be about to take off following proposals for £150m-worth of flats near Paddington Station by a joint venture between Rialto Homes and Frogmore Estates.

The application is for 633 new flats – providing a mixture of residential accommodation – and parking spaces and 7,200 sq ft of restaurants and shops.

This could be followed by long-awaited commercial developments, ending more than a decade of dereliction and uncertainty in the area.

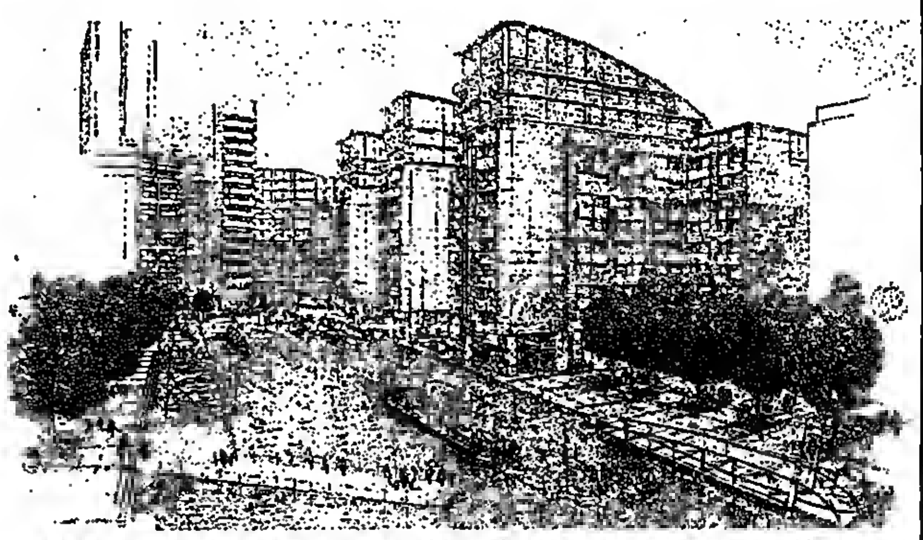
A complex jigsaw puzzle of holdings in the area has the potential as a site for several million sq ft of offices. Office space is becoming more attractive to tenants who are being squeezed out of the West End because of the lack of large development sites there.

Rialto aims to be the first phase of plans for the 10 acres around Paddington Basin – one of London's largest urban development sites now under the control of Mr Elliott Bernerd and Mr Godfrey Bradman, two of the property sector's biggest names.

Mr Bradman was behind the Broadgate office complex, also built around a station on the eastern side of the City of London. Mr Bernerd's company, Chelsfield, is understood to be aiming for a start on the commercial element of the plan this year.

Meanwhile, Regalian is in early discussions for a pre-let of its site on Bishopsbridge goods yard, which has a long-standing planning consent for almost 1.5m sq ft of offices.

Railtrack is also considering an office complex over a remodelled station following opening of the Heathrow Express link to Paddington.



The scheme, designed by architects Paskin Kyriakides Sands, incorporates shops and restaurants

St Mary's Hospital wants to use surplus land near the basin as part of a possible private finance initiative project for upgrading its own buildings.

Westminster City Council is trying to bring the various proposals up to date with an overall planning brief. The market has changed over the past decade, with housing now playing a bigger role.

But the most significant factor for the West End will be whether one or more major occupiers decides to take a pre-let.

Names have been raised and dismissed over the years, but this could finally be the year when Paddington gets on to the fast track.

David Lawson

MANAGEMENT

John Kay

Called to account

Does Shell have a responsibility to take care of the environment or to advance human rights?

Shell did, of course, win the vote et its annual meeting earlier this week, blocking a move to establisb external monitoring of its environmental and human rigbts policies.

But the issues raised by Pirc, the consultancy which represents a number of, mostly left-inclined, institutional sharebolders, are not only issues in their own right. They raise questions about corporate governance. How broad are tbe obligations of companies to society, and who should define them?

Does Shell have a responsibility to care for the environment, or to advance human rights?

Shell is seriously concerned about its reputation. The problems it has encountered in its attempts to dispose of an oil rig and in Nigeria have been traumatic. It has demonstrated that its environmental policies and its behaviour in the countries where it operates affect its reputation. That, in turn, affects its commercial success.

This seems to make the definition of responsibility an easy one. Shell should care about the environment and human rights because that is the best way for it to go on making money.

Now some of its critics, and some representatives of the company itself, have sheltered behind this figleaf: good business is profitable business. But it is only a figleaf. The maxim that honesty is the best policy is not an ethical maxim, and the person who thinks that is not honest. What do we think Shell should do when its reputation is not at stake? Is it acceptable for it to dump oil in the sea if no one will find out that Shell did it? Or can the company ignore buman rights in countries where the regime is so oppressive that details of abuse will never emerge? Ethical behaviour is not so easy.

If the only constraint on behaviour is concern for external reputation, then so-called ethics pass into the hands of public relations consultants.

There are respectable arguments for saying that Sbell had found the environmentally most appropriate way of disposing of its oil rigs when it planned to dump them in the sea. And its Nigerian activities are of substantial benefit to ordinary Nigerians.

But if Shell's only concern is its reputation, it has no need, no responsibility, to evaluate these questions – no need to think seriously about the gains and losses for the environment or human rights, arising from its activities. It should simply go along with every piece of popular clamour, however ill-informed that clamour may he.

The right answer is more simple, if more difficult to implement. The right answer is that Shell has responsibilities that extend beyond those it has to its shareholders. Shell – and any other leading company – is obliged to consider the environment and respect human rights, and that obligation is there whether or not that consideration and that respect increases earnings per share.

Now that does not mean that Shell is, or should be, a philanthropic organisation. Shell does not exist to protect the environment, or to advance buman rights. Tbese are the tasks of Friends of the Earth and Amnesty International. Shell is an oil company and its primary purpose is to fill our petrol tanks, fuel our aeroplanes, and replenish our central heating.

> If the only constraint on behaviour is concern for external reputation, then so-called ethics pass to PR consultants

The primary purpose, but not the only one. A good oil company can also be expected to earn good returns for its shareholders, maet the expectations of its employees, and consider the environment and respect human rights.

Now that statement is hard to implement because it involves balances and trade-offs. Just as it is wrong to say that profit must always come ahead of human rights, so it is also wrong to say that human rights must always come ahead of profit. That way, Shell would turn into a political campaign or a charity, and we would need to establish another company to fill our petrol tanks – with only brief success, as the same argument would change its objectives into political or charitable ones.

Big organisations do not have simple objectives, and the job of managers is to make balances and trade-offs among objectives.

So where does this leave the Pirc resolution? It suffers from much the same confusion that characterises the law, what people think, and what they say about corporate objectives.

The consultancy is right to emphasise that Shell has wider responsibilities than its bottom line. But the only forum to which corporate managers are accountable – and that rather feebly, as the result showed – is the annual general meeting of shareholders. The consultancy must then argue that its demand for attention to issues of human rights and the environment is made in its role as representative of the interests of shareholders – which is difficult to demonstrate. Those wbo criticise Shell might represent themselves as shareholders in order to promote wider interests. They would perpetuata the farce of the notorious British Gas annual meeting. Most of those attending, purportedly there as shareholders, were there to advance political and consumer concerns of an entirely proper kind which they conld not express in any other forum.

Now the consultancy wants to see environmental interests represented by an environmental director on the Shell board. That raises fundamental issues about the function of a company board. Is its purpose to represent all the legitimate interest groups potentially concerned with what Shell does? These interests would need to be represented by an employee director, a bondholder director, a customer director, and an inland revenue director – whose joh it would be to ensure that the company paid the proper amount of tax.

You only need to describe auch an institution to understand why it would not work.

A corporate board is not a parllament, and could not be effective if it were. Its members must be there not as representatives of individual stakeholder groups, but as people who balance all these interests.

Pirc is right to remind boards of the range of these responsibilities, hut wrong to believe thet the responsibilities are discharged by any form of representative democracy.

John Kay is n director of London Economics and director of the School of Mnnngement Studies nt Oxford University. This column appears fortnightly.

Ronald Grant Archive

Clockwatching: what Taylor cared for was blind obedience

Book Review • Tony Jackson

Know your place

Taylor arguably both enriched and enslaved humankind

THE ONE BEST WAY: FREDERICK WINSLOW TAYLOR AND THE ENIGMA OF EFFICIENCY
By Robert Kanigel
Viking
$34.95, 676 pages

According to one reputable authority Frederick Taylor halongs with Darwin and Freud in the trinity which shaped the modern world. Though he is scarcely a household name, most husiness people have a rough idea of who he was: the father of scientific management and the original time and motion man.

Opinion differs on whether Taylor enriched mankind or enslaved it. Arguably, he did both. But since his practical work was completed a century ago, anyone picking up this hefty biography is bound to ask what relevance he has today.

A lot, is the answer. The problem lies in defining it. Much of today'a management theory consists of rehashing Taylor's ideas. Equally, much of it seeks to stand Taylorism on its head.

There is no denying that in a supposed age of empowerment, Taylor's views strike a chill. He said his method involved "tha deliberate gathering in [by management] of all of the great mass of traditional knowledge, which in the past has heen in the heads of the workmen." The old method asked employees for their hest hrains and their best work. "Brntally speaking, our scheme does not ask any initiative in a man. We do not care for his initiative."

What Taylor cared for was blind obedience. "Each employee", he wrote, "ahould receive every day clear-cut, definite instructions as to just what he is to do and how he is to do it, and theae instructions should be exactly carried out, whether they are right or wrong."

Some of his methods raised eyebrows even at the time. At Bethlehem Steel in 1899 he found one man out of dozens who could lift and load 45 tons of pig iron a day. Taylor then made that the norm. Those who could reach it were rewarded with higher pay and shorter hours. The rest quit or were fired.

But as the hook makes clear, Taylor was not a monster. He was merely that infuriating creature, the child of privilege who believes ha understands the working man.

He grew np in Philadelphia, his parents wealthy eoough to take him for a three-year tour of Europe in his early teens. At 18 he passed up the chance to go to Harvard and apprenticed himself instead to a Philadelphia manufacturer of steam pumps.

According to Kanigel, that was less odd than it sounds. This was in 1874, when America's enginaering schools, such as MIT, were in their infancy. The normal ronte to a career in industry was to start on the ahop floor. Taylor was not alone among tha wealthy sons of Philadelphia in taking it.

The experience was doubly formative. First, it introduced him to the world of machine tools, in which be was to make his fortune as inventor and consultant. Second, it left him with the ahiding conviction that he was himself a son of toil.

For Taylor, this justified turning tha workers into mindless machines. He understood them better than they did themselves, and they would be better off in the long run. Whether they saw it that way is another matter. As one of his colleagues rather sourly remarked, there were no workers at his funeral.

It is Taylor's insistence on control that puts him most at odds with modern management theory. Many corporations now believe that to secure efficiency and innovation it is necessary to call on the ideas and experience of the workforce.

Taylor paasionately helieved the opposite. He was not interested in what workers thought the hest way of doing things. That was merely received wisdom. It had to be scientifically tested. The conclusions should then be codified into best practice and applied relentlessly throughout the organisation.

Nevertheless, Taylor's ideas run more with the grain of modern management than against it. Today's managers repeat by rote that what cannot be measured cannot be managed. Taylor was the original compulsive measurer.

The whola quality movement depends on hreaking work down into processes and measuring their efficiency. That is Taylor in a nutshell. Indeed, the further one gets in Kanigel'e book, the harder it is to resist the conclusion that re-engineering is Taylorism with computers attached.

The parallels do not stop there. Taylor was a classic instance of the guru as performance artist. He also insisted, as gurus do now, that his methods applied not just to manufacturing, but to life in general. They involved, he claimed, "a complete mental revolution".

Others believed him. They tried to apply his system to health, education and the public sector generally. The first strike caused hy Taylorism, in 1911, was at a munitions factory run by the US army. Mussolini was an admirer. So was Lenin.

As Kanigel shows, much of the method was nonsense: huncb and guesswork dressed up as science. But there is no escaping the legacy. "In the past the man was first", Taylor wrote. "In the future the system will be first."

THE PROPERTY MARKET

City of lost confidence

Manila is losing steam, writes Justin Marozzi

The chance to win a Mercedes is not something one would normally associate with huying an apartment, hut increasing numbers of property developers in Manila are resorting to such marketing gimmicks to attract customers.

It is one sign the Philippine capital's property market is starting to lose steam after five years of spectacular growth. Another indication that developers are heginning to feel the pinch is increased flexibility on payment terms.

The recent loss of confidence in the property sector has been led by the Philippine Stock Exchange. Shares in property companies, which represent 60 per cent of the market hy earnings, have led the slump, amid persistent comparisons with neighbouring Thailand, where the financial sector has been battered by the collapse of financial bouses and property groups.

"It's a sort of witch hunt," says Mr Rick Santos, country manager for Richard Ellis, the property consultant. "There is always a questionahle bank or a questionable property company to trigger fears. It's rsther like the Mexican financial crisis. The Philippines had to be the next to crash because it had a currency called the peso, hut the Philippines is not Mexico City and it's not Bangkok."

The property index closed yesterday at 25 per cent below the market's February 3 all-time high, helped hy persistent rumours of serious financial difficulties – consistently denied – at Empire East and Megaworld, two local property groups, and the collapse of Monte de Piedad, the bank formerly owned hy the Catholic church and rescued hy Keppel of Singapore.

Tbe Securities and Exchange Commission yesterday announced it had launcbed an inquiry into brokers suspected of apreading deliberately damaging rumours, which sent the market plunging to a 16-montb low three weeks ago.

As tbe dust settles, many analysts now feel the parallel with Thailand's property woes has been overstated. Tbere are enougb differences, they say, such as relative positions in the economic cycle, underlying demand and historic gross domestic product growth – to warrant caution in making too explicit an analogy.

At 160 per cent, the average gearing of listed Thai property companies is four times thet of their Philippina counterparts.

A less sanguine view would highlight the potential oversupply in office space in at least one area of the capital and a narrow concentration on the luxury resldential market. With new office stock expected to reach 1m sq m between 1998 and 1999, HSBC James Capel forecasts vacancy rates to hit 30 per cent in Ortigas, the capital's alternative central business district wbere tower blocks are going up fast.

Prospects here are considered by far the poorest among the capital's business districts. In the more resilient Makati, which remains the focus of most business activity in the capital, vacancies are likely to rise to a manageahle 8 per cent by 1998. Despite its pre-eminence, Makati is still lacking in adequste supply of high-quality office space – no more than a handful of towers meet international grade A standards.

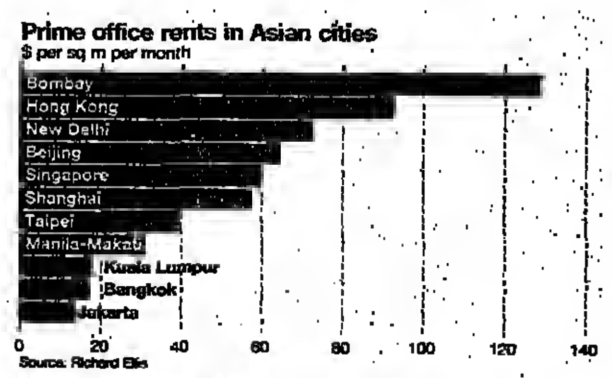
Prospects are less clear at Fort Bonifacio, tbe 214ha mixed-use development which will challenge Makati as the capital's premier business district hy the turn of the century. So far the take-up rste for the first 1,600 condominium units looks encouraging at 40 per cent. Land prices, meanwhile, have reached 200,000 pesos ($7,600) a sq m. This compares with Makati at 350,000-400,000 pesos a sq m and 150,000-220,000 pesos a sq m in Ortigas. The Makati-Ortigas differential in particular is expected to narrow.

Mr Seumas Gallacher, director of Metro Pacific, the Philippine flagship of Hong Kong's First Pacific group which led a private sector consortium in a joint venture with the government for the Fort Bonifacio project, argues the party is far from over.

With about 50 expatriate families in addition to homecoming Filipino executives arriving in Manila every month, the underlying demand for high-end condominiums, the sector of the market which has come under the most negative scrutiny, will remain strong, he says.

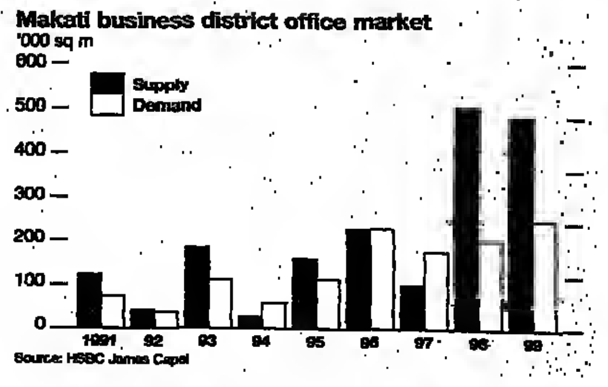
"What you're seeing here is not yet a property squeeze as such. Property prices have indeed stabilised but have definitely not come down. It is the junior analyst soundbite syndrome which would have us all believe thet a stock market correction necessarily means a property market crash. This is patently absurd."

Prime office rents in Asian cities
$ per sq m per month



Source: Richard Ellis

Makati business district office market
'000 sq m



Source: HSBC James Capel

With an under-diversified stock market weighted towards the property sector, Mr Gallacher fears analysts may create self-fulfilling expectations if the negative tone persists. But property developers still have serious concerns.

"People are now taking a hard look at the market," says Mr Ramsay Wilson, vice-president of First Pacific Davies, the Hong-Kong based property group, who warns of emerging weaknesses on the residential side.

"There are 37 residential projects under construction or planned in Makati in tha next three to four years, and 16 in Ortigas. There's a lot of supply of quality grade A residential units coming onstream. What the market is missing is middle size units for the middle income guy."

For now, the Manila market has probably shaken off the worst negative sentiment but further uncertainties are compounded by the lack of a meaningful benchmark with which to assess demand, says Mr Rafael Garchitorena, property analyst at W.I. Carr.

"I'd challenge anyone to tell me what real demand is," he says. "If there is any one thing which frightens me it's the absence of a secondary market. It's very telling. Anywhere else in Asia it is very active. The fact that people would rather buy on pre-sales terms than fully-built at the same price or even a discount just doesn't make sense."

ARTS

Singer of focused emotion

Andrew Clark talks to Hildegard Behrens as she prepares for 'Elektra'

Some singers carry a mystique which cannot be explained. Hildegard Behrens is one of them. Face to face she seems small, *jolie-laide*; on stage she looms large and beautiful. She may be a 60-year old grandmother, but she still radiates youth. When you hear her sing, you have *the feeling* you have glimpsed the heart of the role. That is the Behrens mystique – voice and focused emotion sounding absolutaly right at the moment of impact.

Behrens is in London to sing one of her most celebrated parts – the title role in *Elektra*. Her last appearance with the Royal Opera was six years ago; since her UK debut as Leonore in *Fidelio* under Goodall in 1976, London audiences have heard her in only three other roles, and none by Wagner. As anyone who has seen her at Bayreuth, Municb or the Met will know, sha is a feminine Brunnhilde, a heart-wrenching Katerina Ismailova, a disturbed and disturbing *Wozzeck* Marie. She has an extraordinary capacity to portray the thoughts and feelings of women who have been pushed to the limit of human experience. She is, without donbt, one of the great singing actresses of our time.

Behrens was a late starter. She took a law degree at Freihurg, resisting the lure of singing professionally until she was 30. Karajan heard her in Dusseldorf in 1974, and chose her for his Salzburg production of *Salome*. Behrens's career was made. She sang her first Brunnhilde in the Hall-Solti *Ring* at Bayreuth in 1983; Elektra followed three years later in Paris. Her Mozart and Puccini roles have not met tha same universal acclaim – though not through lack of theatrical personality.

Her only setback came in 1990, when a block of stage scenery fell on her at the end of *Götterdämmerung* at the Met. Bruised and traumatised, she lost two years of her career. She became a vegetarian, gave up alcohol and started a strict fitness regime, which has left her healthier and more slender than ever. She now lives in Washington with her hushand, the American director Seth Schnaidmann, and 17-year-old daughter Sara.

Conversation with Behrens reveals that, however uninhibited she may appear in performance, every note has been subjected to a precise marriage of thought and gesture. "Taking one step onstage," she says, "is almost impossible for ma if I am not secure in knowing exactly what I want to do, how I should look and what I should feel. The more precise my concept, the more chance there is of conveying it to the audience. It's then you start to take risks – you go for what you have precisely in your mind. If you don't risk moch, you don't gain much."

Behrens is a great believer in "mind over matter". She says that if she wants to look tall, she can; if she wants her feet and hands to appear slim, they will. She calls it "a process of shifting the proportions. It's the same with the voice. If you have a clear idea bow you want it to sound, the voice has to obey."

And Behrens's voice is unmistakable: it has a built-in vulnerahility, and she *has* kept it youthful beyond the time most singers begin to declina. She has her own technique, and it works well for her. "I'm singing better than ever before," she says. "It's coming easier, with less physical effort."

So how does she approach Elektra? Behrens recalls the definition of the word "tragic" she was taught at school: becoming guilty without thought. "The motor for everything is Elektra's child-like love for her father. The tragedy is that this unconditional love becomes self-destructive, because she feels bonour-bound to avenge his death. The whole piece is a *danse macabre*, from one waltz to the next, anticipating her final triumph. When she achieves it, she hurns out like a comet, the purpose of life is exhausted."

And is Behrens exhausted? On the contrary, at the final curtain she feels exhilarated. "My goal is to create energy with the help of tha andience – an energy that is positive, high-temperature. That's what theatre is for – getting the audience involved, making them feel love and compassion, so that they understand why the character does and feels things that way."

She says Elektra demands a masculine way of acting: "She's like a fighter – the only thing on her mind is to do tha deed. There's no vanity or self-pity. The only chance the audience gets to look into her soul is during the Recognition Scene, when she is reunited with her little brother. She remembers sbe was once a beautiful princess, and thinks what ber life could have been. It's a heartbreaking moment of self-realisation – for a momant sbe forgets her mission and almost messes up."

Her approach to Wagner is different to other composers, because of the epic length of the musical phrasing. Behrens talks about a body language of "archetypal postures, symbolic pictures, that work on the subconscious of the spectator. That's why I liked working with Peter Hall at Bayreuth. I could ask him every time, 'Does this come through as fear, or pleading?' I felt very secure with him."

Although she has reached an age when most sopranos move down a gear, Behrens is still counting the parts she wants to sing. Sadly, Lulu does not appear on the list – "too playful for me" – but Turandot, Cassandra (*Les Troyens*) and Lady Macbeth do. Kundry is the most tantalising prospect: mentioning her own helief in reincarnation, Behrens says she has found the key to a character who is "a mixture of the religious and the erotic. When I get the chance, I'll jump for it."

Her most celebrated role: Behrens singing Elektra in Paris

Behrens at Covent Garden: May 19, 24, 31.

Obituary

Laurie Lee

Laurie Lee, who died this week aged 82, was not what he wanted to he. The canons of English literature do not list him as a poet. He naver even made it into Philip Larkin's studiously populist *Oxford Book of Twentieth Century English Verse*. Yet into his old age he thought of himself as such. His conversation was plump with poetical turns and remarks. He scribbled lines on menus. If a nice simile occurred to him, he would immediately bold it up like a prism, seeing if it caught the beanty of oblique aptness.

At the Chelsea Arts Club, where in summer the lunches are tollgates for cocktails, he was venerated as a sort of patriarchal bard. Elsewhere it was his fate to be known hy *Cider With Rosie*: and that book's fate to be ordained, by examining boards throughout the English-speaking world, as a test of teenage literary comprehension.

As Lee was first to admit, *Rosie* had been good to him. From 1959, *Rosie* royalties flowed throughout the second half of his life. No more working with film units and ministries. He purchased a bouse in the Gloucestershire village of Slad where he was brought up, and up to his last years enjoyed pottering over to watch local cricket on the Sheepscombe ground that belonged to him too.

Once I asked him if Rosie was still knocking around the village. He was briefly grumpy (it was probably the three thousandth time of that inquiry). His evasive answer seemed more a matter of creative rather than amorous discretion. A poet was entitled to invent, was he not? Why hunt the book for documentary chronicles – the stuff of prose?

Other pieces of autohiography, half-invented as they may be, contribute to Lee's reputation: the Spanish travels, which be made first in 1934. He was there before, during and after the Civil War. He was resentful of the way Hemingway and Orwell bogged the literary record of that war, though it was always difficult to imagine young Laurie toting a gun. A fiddle was his ticket to victuals in 1934.

The picture he gives of himself then – a strolling player, winning applause and adoration – nicely fits the rhapsodic role he coveted. That is why schoolteachers who tirelessly expound *Cider With Rosie* as an elegy for tha lost rhythms of rural England should beware. A rhapsode sings what he knows will anchant. And that is wby the writer himself never seriously deplored the tourist board description of the Cotswolds as "Laurie Lee Country".

It was a sort of justice for the thwarted poet. Laurie Lee loved to be recognised. The ease with whicb he doffed his panama to those who did was amiably superb.

Nigel Spivey

Theatre

Maternal sisterhood

Plays about mothers and daughters have a long history, stretching hack to tha Sophocles and Euripides versions of *Electra*. Plays by women about mothers and daughters are a much newer thing, and different: women know better that all mothers are daughters too.

Two recent plays hy women, *If We Are Women* and *Kindertransport*, revolved around that fact, and their cast-lists represented three generations so as to emphasise it. Charlotte Keatley's remarkabla *My Mother Said I Never Should*, now revived by the Oxford Stage Company at the Young Vic, represents four: Doris (Oldham-born in 1900), her daughter Margaret, her daughter Jackie, and her daughter Rosie, 16 when the action concludes.

Since its Manchester premiere ten years ago, *My Mother Said*... has been translated into 15 or 16 languages, and placed on the National Curriculum. As in those other two plays, "plot" is a vanishing factor and reminiscence a huge one; but Keatley's piece is bolder and more single-minded. Where *Kindertransport* had a special documentary-aspect (about those Jewish children who were sent from Nazi Germany to Britain in the nick of tima), and *If We Are Women* was partly a memoir of the author's own mother and mother-in-law, the whole content of *My Mother Said*... is resolutely banal.

"Banal", that is, in the sense that nothing that happens is anything but ordinary – nor tha four women either, pleasant though it is to get to know them. Tha sole secret that awaits disclosure is that Rosie *is* Jackie's daughter, for Margaret has raised her as Jackia's "younger sister" (not that unusual, perhaps); but when the revelation comes it causes only a squall, not a storm.

Senaational events would deflect Keatley's purpose, which is to capture the very fabric of mother-daughter relations – mostly in the everyday mode of gossip. (Why, she asks in the programme-hook, is that always defined as "idle chat", when for women it amounts to "advice, practical support and hands-on knowledge"?) Subtly, the gossip here tests and exposes the intimate dependencies which underpin everything.

Calculatedly, it also evokes the samenesses and differences between women's basic situations through this century of rapid change. Tha action hops featly backward and forward in time, punctuated hy interludes in which all four characters play themselves as children in their own times, *coming magically together* for secret games. There is no deadly whiff of sociological history, no generalising – just down-to-earth gossip; but males in the *audience may discover* little by little how much that can mean.

Dominic Cooke's direction renders it all translucent. The play is *sensitively lit* by Paul Russell, and Gary Yershon has supplied apt scene-music. Every actress conveys her role with commitment, though they all have actressy *moments when playing far below* their ages. Women will love it; men had better go with a close female friend or partner.

David Murray

Pauline Lynch and Grace Mirchell in 'My Mother Said I Never Should' Alastair Muir

Theatre/**Alastair Macaulay**

Ideas, Effects, but little substance

Ideas keep droning through the air during Peter Weiss's *Marat/Sade*, ideas of different types and sizes and flying in different directions. Tha ideas – about the nature of dramatic representation itself, about art, politics, history, suffering, enjoyment, cruelty, and sanity – are all post-Brechtian. So it seemed a good idea that the National Theatre programmed *Marat/Sade* after Brecht's *Caucasian Chalk Circle* in its season of plays performed in the round in its Olivier auditorium.

Marat/Sade, new in 1964 and subsequently given a famous Royal Shakespeare Company production by Peter Brook, has long enjoyed a reputation as a shocker. Today, however, even in a perfectly adequate staging directed hy Jeremy Sams, it proves a non-event. (Walking out of the National Theatre into a violet evening on the South Bank was like the relief that follows having your head banged against a wall – for 150 minutes.) Sure, it has gore, lunacy, nudity, the guillotine, grotesque births onstage, masturbation, whipping. In context, however, these feel like the merest Effects. Meanwhile, above them, the play's atmosphere is polluted hy all the conflicting gases of those ideas.

Fifteen years after the death of *Marat at the hands of Charlotte* Corday, the Marquis de Sade has the events that culminated in that assassination re-enacted hy the inmates of the asylum of Charenton. *He is the playwright*, and he also rules over the play in a series of speeches that are chiefly part of a long debate with Marat about revolution. This Marat/Sade dialectic – *though full of clever and* audacious comments – is the most torpid element of *Marat/Sade*.

The lunatics-as-actors aspect once in a while produces buman ironies that almost turn *Marat/Sade* into a work of art. (One thinks of Dostoyevsky's *From the House of the Dead*, of Chekhov's *Ward No 6*, and, with the narcoleptic who is reluctantly goaded into playing Charlotte Corday, of Kundry roused from her slumbers in Wagner's *Parsifal*.) But the ironies never grow into drama. Around this, Weiss adds a debate between Sade and the asylum's director, Monsieur Coulmier – between the playwright and the censor or critic – of crashing unsubtlety. The mind wanders.

It does not help Sams's production that a loud whirr above the stage – air-conditioning? – accompanies it from first to last. But three of the performances have distinction. Anastasia Hille, an actress who keeps finding new facets of herself, is a traumatised, quasi-somnamhulist "Charlotte Corday". She is poignant, arresting, driven. As Sade, David Calder is so skilled an orator that be keeps drawing our attention to what he is saying. A pity that the play makes him a mere mouthpiece. As the strait-jacketed Jacqnes Roux, Philip Franks alone transcends the play, *linking its layers and ironies with* rare eloquence and humanity, like a prophet in the wilderness.

Corin Redgrave's account of Marat is completely focused, but *he concentrates too much on the* surface of his role. In this case, he makes such a meal out of the Scottish accent he adopts and the richly-cadenced inflections be gives to *every cluster of words* that it is frequently impossible to notice what he is saying. Dave Fishley, Kevin Walton, Jenny Galloway and Freya Copeland have to *sing quartets* to sub-jazzy music by Richard Paaslee that kept reminding me of the Fraser Hayes Four; and all the lunatics have various kindergarten chants that are uniformly mega-dull.

INTERNATIONAL ARTS GUIDE

■ AMSTERDAM

EXHIBITION
Nederlands Scheepvaartmuseum Tal: 31-20-5232311
● *Maritieme Meesters.* Scheepvaart op Tekeningen, 1600-1800: exhibition of 100 drawings which reflect shipping's status as the principal pillar on which the Dutch Republic's economic and political power rested; to Jun 30

■ BERLIN

CONCERT
Konzerthaus Berlin Tel: 49-30-203090
● *Elijah: by Mendelssohn.* Conducted by Michael Schonwandt, performed by the Berliner Sinfonie-Orchester and the Chor des Düsseldorfer Musikvereins; May 18

EXHIBITION
Kupferstichkabinett – Sammlung der Zeichnungen und Druckgraphik Tel: 49-30-26629598
● Paul Klee – Späte *Zeichnungen: display of drawings* produced by the Swiss artist in the years 1939 and 1940, including the cycle of 16 works entitled "Der Infemer Park"; to *Jun 8*

■ CHICAGO

EXHIBITION
Art Institute of Chicago Tel: 1-312-4433600
● Charles Rennie Mackintosh: billed as the most comprehensive show of Mackintosh'a work ever mounted, this exhibition features over 200 objects, including architectural drawings, room settings, furniture, decorative arts, models, watercolours and *reconstructions* of interiors; to Jun 22

■ COLOGNE

EXHIBITION
Museum Ludwig Tel: 49-221-2212379
● Jasper Johns: retrospective exhibition devoted to the work of *the American artist spanning four* decades of artistic achievement. Drawn from public and private collections throughout the world, the exhibition comprises approximately 200 paintings, works on paper and sculptures, including recent work never before shown to the public; to Jun 1

■ COPENHAGEN

EXHIBITION
Charlottenborg **Exhibition Hall** Tel: 45-33 13 40 22
● Association Danoise *Exposition*: large-scale exhibition of work by Danish artists; from May 16 to Jun 22

■ EDINBURGH

EXHIBITION
Royal Scottish Academy Tel: 44-131-2256671
● Royal Scottish Academy'a 171st Annual Exhibition: exhibition featuring works by many of Scotland's leading contemporary artists, sculptors, printmakers and architects; to Jul 5

■ LONDON

CONCERT
Barbican Hall Tel: 44-171-6384141
● City of London Sinfonia: with conductor Richard Hickox in works by Mozart, Chopin, Beethoven and Haydn; May 19
Queen Elizabeth Hall Tel: 44-171-9210600
● London Sinfonetta: with conductor Marcus Stenz, bassoonist John Orford and *soprano* Rosemary Hardy in works by Stockhausen and Zimmermann; May 18

OPERA
Royal Opera House - Covent Garden Tel: 44-171-2129234
● Elektra: by R. Strauss. Conducted by Christian Tielemann; May 19

■ MADRID

EXHIBITION
Museo Nacional Centro de Arte Reina Sofia Tel: 34-1-4675062
● Manuel Rivera: display of 59 paintings by the Spanish artist produced between 1956 and 1994. Rivera centres his work around concepts of space and light and the exhibition also includes two sculptures and 24 works on paper, all of which have never before been seen in public; to Jun 16

■ NEW YORK

EXHIBITION
The Pierpont Morgan Library Tel: 1-212-685-0008
● Private Histories: Four Centuries of Journal Keeping: exhibition offering e rare opportunity to inspect the personal journals and diaries of various figures from the past 300 hundred years, including Albert Einstein, Sir Isaac Newton, Charlotte Brontë, Walt Whitman and Sir Walter Scott; to Aug 31

MUSICAL
Shubert Theatre Tel: 1-212-239-6200
● Chicago: by Ebb and Fosse. Directed by Walter Bobbie. The cast includes Ann Reinking, Bebe Newirth, James Naughton and Joel Grey; to Dec 31

■ PARIS

CONCERT
Cité de la Musique Tel: 33-1 44 84 45 00
● Choeur de Chambre de Stockholm: with conductor Eric Ericson in works by Brahms, Nystedt, Mahler and Webern; May 20

EXHIBITION
Musée Carnavalet Tel: 33-1 42 72 21 13
● Noureiev: exhibition devoted to dancer/choreographer Rudolf Nureyev. The display, which draws upon Nureyev's personal collection, features costumes, posters, photographs, personal belongings – including furniture, paintings and prints – and other objects painting a picture of his artistic and private life; to Jul 27

■ PHILADELPHIA

EXHIBITION
Philadelphia Museum of Art Tel: 1-215-763-8100
● Rodin and Michelangelo: A Study in Artistic Inspiration: exhibition featuring over 50 drawings and sculptures illustrating the influence of Michelangelo on the French sculptor; to Jun 22

■ PRAGUE

CONCERT
Smetana Hall Tel: 420-2-533474
● London Symphony Orchestra: with conductor Sir Colin Davis and pianist Alfred Brendel in works by Mozart and Brahms. Part of the 1997 Prague Spring International Music Festival; May 16

■ ROME

EXHIBITION
Galleria Nazionale d'Arte Moderna Tel: 39-6-322 981
● Ferruccio Ferrazzi: Dipinti E Disegni Svizzeri, 1916-1917: display featuring 50 drawings, produced by tha Italian artist during his stay in Switzerland during the First World War. Ferrazzi'a work shows the influences of Futurism and the Roman School; to Jun 15

■ STUTTGART

EXHIBITION
Staatsgalerie Stuttgart Tel: 49-711-2124050
● Magie der Zahl – Zahlenspiel und Arithmetik in der Kunst des 20. Jahrhunderts: exhibition focusing on the use of numbers, arithmetic and statistics in 20th-century art. Artists represented includa Johns, Warhol, and Magritte; to May 19

■ VIENNA

CONCERT
Konzerthaus Tel: 43-1-7121211
● Oleg Maisenberg: performance by the pianist accompanied by Annette Bik, Christian Tetzlaff, Tabea Zimmermann and Boris Pergamenschikov. The programme includes work by Schumann, Mozart and Brahms. Part of the Internationales Musikfest der Wiener Konzerthausgesellschaft; May 18,19

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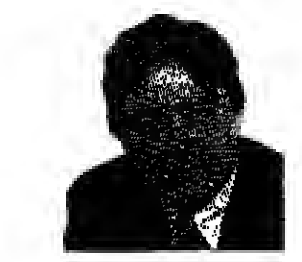
COMMENT & ANALYSIS



Philip Stephens

Loss of innocence

A clash between Labour's expectations and reality is inevitable, especially over the welfare state and Europe

We are left breathless by the pace, tossed to and fro in the whirlwind of change. Dozens of initiatives jostle for our attention. An announcement here competes with a new policy there, a mission statement hither elbows aside a fresh start thither. No fewer than 26 new laws are crowded into the Queen's Speech. To cap it all, Britain has made friends again with Europe. New Labour is working.

There is more. Tony Blair speaks of a liberation. The burdens of office, says the prime minister, are as nothing against the frustrations of opposition. So swiftly has Gordon Brown made his mark at the Treasury, he might ever have been chancellor. The optimism infects the cabinet. After so long in the wilderness, it is a wondrous thing to pull a lever and find it does not come away in your hand.

The intoxication is fed by the wretched condition of the Conservatives. To gaze down on the ragged, depleted ranks of Her Majesty's Loyal Opposition in the House of Commons this week was to marvel at how wrong we once were. How many times was it said during those 18 years that here was a party destined to rule in perpetuity? How impossible it now seems that Conservatism might one day reclaim the mantle of office.

Enough. Three weeks ago the conventional wisdom had it that New Labour was bereft of ideas. It would bring to government nothing more than more of the same. Now we are told Mr Blair need only raise an eyebrow and the nation will be healed. The fashion is as wrong now as it was then.

To be sober is not to be cynical. Mr Blair's exuberance is well earned. I confess to my own moments of light-headedness when assumptions woven deep into the fabric of Whitehall have been casually torn out by the new arrivals.

It will be fiendishly difficult for Robin Cook to add an ethical dimension to Britain's foreign policy, but it is good to know he will give it a shot.

Yet every new administration must pass from innocence to experience. Politics deals in panaceas, government is about grind. It will not be long before the first flush of ministerial enthusiasm gives way to a grim realisation of what they have let themselves in for by adopting the Conservatives' public spending targets. Nor, if the sado-monetarist tone of the Bank of England's latest Inflation Report is a fair guide, will Mr Brown's decision to surrender to the Bank control over interest rates look quite such a winning bet.

Nowhere is this inevitable clash between expectations and reality more likely than in two of the areas destined to dominate Mr Blair's administration: at home, the welfare state; abroad, Britain's relationship with the rest of Europe.

We should not doubt Mr Blair's intent to overhaul the welfare state. When he remarked this week that governments had "reached the limits of the public's willingness to fund an unreformed welfare system", the prime minister was speaking from the gut. Work patterns, the distribution of output and employment, and social structures had changed out of all recognition since Beveridge's blueprint 50 years ago.

> Mr Blair, eager to strut the international stage, could soon find himself dining not with the Germans and the French but with the Greeks

This instinctive conviction that it is the task of the party which founded the welfare state to reform it is buttressed by Mr Brown. The former chancellor most admired by the present occupant of No 11 Downing Street is the Liberal David Lloyd George, the father of the state insurance system.

To talk to Mr Brown is to appreciate how deeply he has immersed himself in both principle and detail. He rattles off statistics about long-term unemployment, lone parents, tax and benefit traps and pilot projects with an easy fluency colleagues reserve for the football scores.

Nor does he disguise his admiration of the way the US wields stick and carrot to get the unemployed back to work. Whether the chancellor can do more in his first Budget than put in place the promised programme for 250,000 young and hard-case jobless is questionable. But a lot more is promised.

The lunacies in the system need no signposting: the tax and benefit merry-go-round which sees the working poor facing marginal tax rates of 70 per cent-plus; the traps which drive women to give up work when their husbands are made redundant; the benefit disregard thresholds which make childcare and paid employment mutually exclusive.

To identify the perverse incentives and inefficiencies, however, is to begin to understand their intractability. This is an area where the law of unintended consequences applies with a vengeance. It is easy to explain why two-earner households can so quickly lose both incomes; much harder to tailor the benefit system to a more sensible outcome without injecting distortions elsewhere.

There is something else. Mr Blair wants savings from the £90bn-a-year benefits bill. But Mr Brown's plans to fund his welfare-to-work programme through a windfall tax on privatised utilities acknowledges that reform costs money. You have to spend before you save in the benefits system.

Europe presents a different challenge. Mr Cook has set out the basis on which Britain will sign a new treaty in Amsterdam next month. Other governments, their energies now directed towards economic and monetary union, have been trimming their ambitions. So the odds are a deal will be done.

But the warm glow across the Channel will not remove the strategic dilemma for Mr Blair. He has all but ruled out joining the vanguard of Emu. Yet if (more likely, when) the single currency is created in January 1999, it will redefine the continent's political core.

Britain may stay on friendly terms with its partners, but its influence will wane. Mr Blair, as eager to strut the international stage as any recent prime minister, could soon find himself dining not with the Germans and the French but with the Greeks. I happen to agree that standing aside from Emu at the outset is sensible economics. But it must be slotted into a broader political strategy.

It is said, often with a sneer, that Mr Blair's main aim is to secure a second term. For a prime minister who has just passed his 44th birthday that is not a discreditable ambition. There is anyway much more to him than that. But before long, governing will seem as difficult as it is now easy. To win again, Mr Blair will have to live with adversity as readily as he now delights in his popularity.

LETTERS TO THE EDITOR

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CBI has not specified a national minimum wage

From Mr J. Adair Turner.

Sir, Your report that the Confederation of British Industry has said business "would be able to accept a national minimum wage of up to £3.50 an hour" ("Minimum wage: Whitbread's chief executive to head new advisory body", May 14) is misleading.

I would like to make clear the fact that the CBI has not named an acceptable figure for a national minimum wage.

What we have in fact said is that a national minimum wage of £3 an hour would have limited effect on employment, so long as there was no general attempt to restore pay differentials.

Above that, there is obviously a range of possible figures at which the level could be set, which in turn will have an increasing effect on the labour market.

The job of setting the level of a national minimum wage will fall to the Low Pay Commission set up by the government.

The CBI is currently in detailed discussion with those sectors which are most likely to be affected by a national minimum wage, and it will seek to play a constructive role in the work of the commission.

J. Adair Turner,
director-general,
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Centre Point,
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Mood for Turkey's future anything but blue

From Mr Yüksel Söylemez.

Sir, I agree with the statement that rating agencies fail to perceive the true dynamism of Turkey's economy, whatever the Turkish economy's failings are ("Turkey's moody blues", Observer, May 8).

Sir Martin Laing, chairman of the Construction Confederation, publicly praised recently in London the Turkish economy as "dynamic, healthy and resistant" and "giving British investors unprecedented access to the Turkish market".

Sir Martin also pointed out – at the same dinner of the Middle East Society – that "Turkey was an exciting country for both traders and investors", adding that "Britain's annual trade with Turkey now stands at £2.5bn in volume worth and the British export some £1.5bn a year".

Sir Martin recommended the Turkish market to everybody on the strength of his own experience.

That partial diagnosis contrasts starkly with Observer's bleak picture as outlined in "Moody Blues". Moody's report comes from its regional office at Limassol, Cyprus, which Observer underlines "as no friend of Turkey".

No wonder that Mr Ufak Söylemez, Turkey's economy minister (no relation), describes the "Moody Blues" report as being "written by remote control".

Yüksel Söylemez,
representative,
Turkish Trade Office,
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Taiwan

Source of British workers' attitude problem

From Mr Kenneth P. Armitage.

Sir, The latest annual survey of companies, workers and attitudes to conditions, relationships and training, from International Survey Research (ISR) of London, states – when referring to British workers – that "despite significant attempts at corporate restructuring and re-engineering, employee attitudes towards the organisation and the efficiency of their work are among the least favourable in Europe". ("Europe's unhappy world of workers", May 14).

May I suggest that the dissatisfaction is caused by the almost continuous processes of delayering, downsizing, restructuring, re-engineering and outsourcing during the past decade or so, and the loss of middle-management jobs, which has had a direct impact on internal and external communications.

What people need, in their personal lives as well as in the workplace, are elements of security and of stability.

When companies keep moving the goalposts, and more often than not accompanying such moves by rounds of redundancies, then relationships are necessarily strained.

That is one important reason why people become critical of senior management.

Kenneth P. Armitage,
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Kesgrave,
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Legislation points to nanny state

From Mr Iain C. Baillie.

Sir, Robert Rice ("Caught out by default", April 29) exposes what can only be described as a disastrous piece of nanny legislation.

There is always somebody who has lost money in a fraudulent business scheme but most of those who lose money in pyramid schemes do so because of stupidity and greed. One must ask whether legislation which is causing immense disruption to the normal business community because of the inability of the drafters to define workable schemes achieves anything for the community.

Many small business people also suspect that this is a backdoor attempt by the Treasury to force many firms who would not otherwise register for value added tax to do so. One suspects that this legislation is civil service-driven, rather than politically-driven, with the hallmarks of persons inexperienced in business.

Any sensible draftsman would have recognised that it is impossible to draft all inclusive legislation in this field and would have confined the act to the more egregious schemes with fraudulent scienter.

Otherwise legitimate schemes in some cases operated by individuals in a fraudulent manner can then be left to the general law of fraud.

In the US, there is a concept that before legislation can be passed there must be an environmental impact statement. Perhaps those responsible for legislation should be required to prove that their proposals will not have an inappropriate impact on legitimate business rather than wait until damage has been done by ill advised draftsmanship.

Iain C. Baillie,
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Europa · Sergio Romano

Italy's mission impossible

The sending of soldiers to Albania has been beset by domestic and foreign problems

Diplomatic move: Beniamino Andreatta (left), Italian defence minister, at a press conference in Tirana this month with Shaqir Vukaj, Albania's defence minister Picture: AP

These days, Mr Romano Prodi, the Italian prime minister, and his three main cabinet colleagues at defence, foreign affairs and interior devote more time to Albania than to European monetary union. Albania has become a political headache.

To obtain approval to send some 2,000 Italian troops to Albania on a mission blessed by the United Nations and the Organisation for Security and Co-operation in Europe, Mr Prodi was nearly forced to resign. He lost part of his parliamentary majority – the Reconstructed Communists – and was obliged to rely on the centre-right opposition.

To ensure the mission does not fail, the premier and his foreign minister have had to perform a diplomatic slalom between Mr Sali Berisha, the Albanian president who has been the Rome government's favourite, and Mr Bashkim Fino, the prime minister, who enjoys the sympathy of the Italian left.

The Italian mission must create the conditions which encourage a return to normality. Yet the rules of engagement prevent any action to neutralise the armed bands operating in southern Albania.

The mission must also create the conditions for a restoration of democracy; but elections will not be credible if half the electorate goes to the polls carrying a Kalashnikov. The mission is due to last until the end of June, but no one can be sure the situation will permit the military to leave easily.

One might ask why Italy has thrown itself into such a complex and uncertain venture when it has so many other problems. These include the difficult relationship with Brussels over putting Italy's public finances in order and the next steps in the Maastricht treaty. Domestically, it must contend with a stagnant economy, high unemployment, discontent in northern Italy and the government's own instability.

To understand the rationale of the military mission to Albania one must remember that only 90 nautical miles of the Adriatic separate southern Italy from Albania. This stretch of water is a kind of Rio Grande, and Italy exercises the same fascination over Albanians as California and Texas do on Mexicans.

Albanians only have to switch on their television sets to see exciting football, dazzling quiz shows, seductive dancers, licentious sex and appetising advertising slots. This has encouraged a considerable trade in human cargo, run largely by organised crime. The "ticket" costs on average L1m ($580) and passage is also offered to other nationals – Arabs, Chinese, Indians – anxious to cross "the water curtain" that separates a rich Europe from an underdeveloped world.

Once these illegal immigrants arrive in Italy they generally make themselves scarce. Some stay, others move on to France and Germany. If they are picked up and expelled, they can appeal against the expulsion order, and while awaiting sentence can disappear.

This was the state of affairs prior to the collapse at the beginning of this year of the financial pyramid schemes which caused the loss of so many Albanians' savings. With the financial crisis, the rhythm of illegal emigration accelerated – to some 15,000 people in the space of a few weeks.

The Albanians have put in place a form of humanitarian blackmail: they board aged, unseaworthy vessels and arrive off the coast of Puglia, forcing Italy to accept responsibility for their salvation. During Easter week, one of these ships laden with emigrants was sunk after an incident with the Italian navy and this shocked Italian public opinion. As a result, Albanians have concluded that Rome will no longer have the heart to enforce a serious blockade. And so the businessmen have resumed selling their "tickets" to those seeking a better life.

In other circumstances, Italy could absorb these immigrants and provide them with temporary work permits. But the government has to take account of several factors which seriously reduce its freedom of movement. Unemployment is officially at 12.5 per cent, and the public fears that these arrivals will swell the ranks of organised crime in areas where the Albanians are already well rooted – drugs, prostitution, arms and cigarette smuggling. The parties of the left would like to see the Albanians treated humanely; but the unions are not really willing to accept flexibility in labour practices that would allow them to be given jobs.

Thus at every turn, the government runs into a roadblock. It cannot stop the Albanians before they reach the Italian coast; it cannot send them all back within a few hours; it cannot concentrate them in camps; and it cannot allow them to work. In essence, the reasons why the government cannot control the Albanian crisis are the same as those which make it so difficult to meet the Maastricht convergence criteria: a poor economic cycle, a discontented public and union vetoes.

The idea of a military mission in Albania grew out of this impotence. The government decided to initiate and lead an international mission, hoping the arrival of several thousand European soldiers would help restore order and put an end to the exodus. For the moment this hope has failed to materialise. The Albanian mafia has realised that the Italian authorities have every right save that of using force, and consequently have resumed sending boats across the Adriatic.

There is still a ray of hope that Albanian politicians can agree to hold elections and that these take place freely. But unless the rules of engagement are changed, the international mission – in particular the Italian contingent – cannot intervene against the criminal organisations, which have political backing. Nor can they disarm the rebel bands.

They must also avoid being dragged into domestic politics and ensure their departure does not make matters worse. Having gone to save Albania, Italy risks becoming its hostage.

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Germany in a hole

To lose ½ per cent of gross domestic product from the budget would usually be considered careless; but in Germany mid-1997 it is dicing with the country's European destiny. Or so you would think, judging by the frantic soul-searching in Bonn and Frankfurt yesterday in response to news of the DM18bn ($10.4bn) shortfall in this year's tax revenues.

Theo Waigel, tbe German finance minister, sought to play down tha significance of the new revenue estimates. In more normal times his protestations would have been better received. After all, the Finance Ministry had already pencilled in a DM8bn shortfall in federal tax revenues in the *revised* budget estimates publisbed in January. And, in theory at least, the government had left itself room for just this kind of slippage in setting its target deficit at 2.5 per cent of GDP for 1997, well within the 3 per cent criterion for monetary union laid down in the Maastricht treaty.

Bnt as Mr Waigel himself noted in yesterday's press conference, disappointing revennes are only half the problem. Slow growth and persistently rising unemployment have also put pressure on the spending side of the balance sheet. Additional unemployment insurance costs are expected to produce an overshoot in spending of between DM10hn and DM20bn. Tbe result could be a projected general budget deficit closer to 3.5 per cent of GDP than 3 per cent.

Mr Waigel has spent more than a year arguing that, wbere fiscal policy is concerned, every tenth of a per cent of GDP *counts. Countries which* wisb to qualify for monetary union must limit their deficit to 3 per cent come what may. If "three means three", then a ½ per cent of GDP gap means trouble: enough trouble for the government to risk the charge of selling the family silver to fill it.

Revaluing the Bundesbank's gold reserves along the lines being discussed yesterday by Mr Waigel and tbe bank's president, *Hans Tietmeyer*, is not the same as selling the *reserves*. The government claims that this would have bad to happen *sooner or later in the course of* moving to single currency. But like the sale of additional Deutsche Telekom sbares, also announced yesterday, it smacks of precisely the kind of creative accounting which Germany has so criticised in lesser countries' 1997 budget plans.

The whiff of hypocrisy would be less prohlematic if there were not an important domestic reason for Germany to have taken the moral high ground. Chancellor Helmut Kohl needed to convince tbe voters tbat Emu would mean sharing the toughmindedness of German economic policy with others: and not, as many feared, diluting it.

Mr Waigel's cunning wheeze could help Mr Kohl avoid a damaging delay to Emu. But it will not silence German fears for its contaminating effects.

An Irish punt

Mr John Bruton, the Irish prime minister, is taking a considerable gamble in calling an early election on June 6. Ha is banking on the thriving state of the Irish economy, and a creditable *record of job creation, to carry* his three-party coalition back into office. But the political arithmetic in Ireland is decidedly *complex, and the electorate* notoriously fickle. Mr Bruton may prove a rash punter.

In the first place, the Taoiseach is asking the electorate to back his rainbow coalition, including both the centre-left Labour party, and the more radical Democratic Left, rather than simply voting for his traditionally conservative Fine Gael party. That coalition has been mncb more stable and more conservative than expected when it came to power in late 1994. It was united then by a desire to get the ruling Fianna Fail out of office, rather than by common interests.

In the last two and a half years these unlikely bedfellows, presided over by the reassuring figure of Mr Bruton, have kept steady hands on the economic tiller, and done their best to keep the Northern Irish peace process alive, without too much assistance from Belfast or London. Yet it is asking a lot of the Irish alectorata, which has always voted overwbelmingly either for tha conservative Fianna Fail ur the equally conservativa Fine Gael, to make a positive choice for such a combination.

The fate of Mr Bruton's government will depend on two things: on the performance of his partners in the depressed working-class areas of Ireland's main cities; and on the public perception of whether *his* administration offers a more honest alternative to Fianna Fail, repeatedly tarred by the *brush of financial scandal*.

The prohlem for Mr Dick Spring, tha Labour party leader, and for Mr Proinsias de Rossa, of the Democratic Left, is that Ireland now boasts two economies. There is a thriving modern sector, which has attracted much foreign investment, and looks set to grow at more than 5 per cent a year through the millennium; and there are pockets of chronic, structural unemployment in the city centres of Dublin, Cork and Limerick, where the two left-wing parties enjoy their main support. They have seen few of the benefits of economic growth so far.

As for the question of financial probity, it has come back to haunt Mr Bruton as well as Mr Bertie Ahern, his Fianna Fail rival. Politicians of both parties have been named as recipients of *millions of pounds from the* Irish supermarket magnate, Mr Ben Dunne. The government's image of being above suspicion has been damaged. The opposition has increased its lead in the opinion polls from 6 to 11 points since April. The administration'a excellent economic record is in danger of being forgotten.

Wall Street ahoy

European investment banks have long aspired to a bigger role on Wall Street. Tima and again they have either missed their opportunities or failed to make a mark with acquisitions. What are the chances that SBC Warburg, the London-based arm of *Swiss Bank Corporation*, will buck the trend with its proposed $600m acquisition of the venerable Dillon Read?

If Warburg's own history is any guida, the omens are inauspicious. In the 1970s, when US banks were going cheap, it *failed to consummate* a deal with one of Wall Street's finest, Kuhn Loeb, because of personal frictions between the main participant. Warburg ended up instead taking a joint stake with Parihas in Chicago-based A.G. Becker, which had grown with the *burgeoning commer*cial paper market. It was a poor investment that took Warburg nowhere.

In the present decads Warburg came close to making an offer for Salomon Brothers when the big US securities house was down on its luck. The British could not summon the confidence for such a big transatlantic leap. There followed the abortive merger with Morgan Stanley. Now, after the sale of Warburg to SBC, comes the offer for Dillon *Read* – a small house, with a long history and a place in the league tables that signifies genteel decline.

SBC Warburg has chosen to pay three *times* book value for the bank at time when the stock market is scaling dizzy peaks and the economic cycle is relatively mature. Dillon Read has some good corporate clients and sound skills. It is not a bad base on which to build, if the Europeans can bold tha enlarged team together.

But this is not the coup to which the London bank would once have aspired. And for the Swiss parent, it marks a different route to the one preferred by other European giants such as UBS and Deutsche Bank, which are not keen at present to make acquisitions in the US.

The striking feature of Wall Street today is inflation: inflation in asset prices, inflation in the price of banks and inflation in payroll *costs*. Too much capital is chasing a short supply of securities and skills. It is possible, if hard to believe, that SBC Warburg *will succeed* against the odds in transforming the merged operations into a preeminent global investment bank. It is certain that the partners *of* Dillon Read havs pulled off an excellent deal.

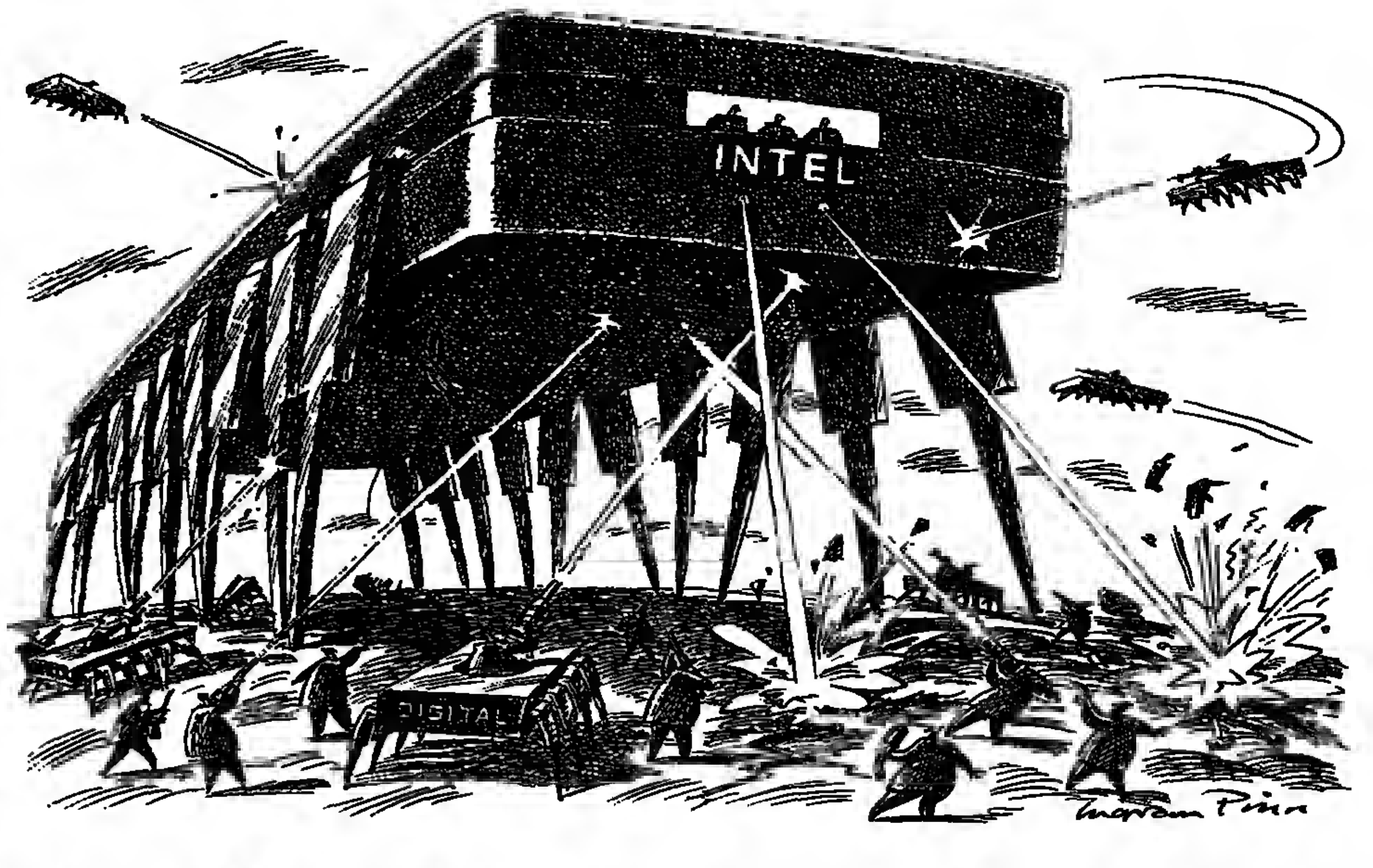
A micro battleground

Intel, which dominates the computer chip industry, is facing legal challenges from smaller rivals, says **Louise Kehoe**

Move over Microsoft. It is time for Intel to take the heat. As the west coast behemoths of software and semiconductors, Microsoft and Intel play dominant roles in their respective industries. Until now, only Microsoft has seen its success lead to a pnblic backlash.

Now it is Intel's turn. In a sweeping patent infringement lawsuit filed this week by Digital Equipment, one of the largest US computer mannfacturers, Intel bas been accused of unlawfully using patented microprocessor technology. This comes just days after the embarrassing revelation of a *flaw* in Intel's latest Pentium II chips. To cap it all, Cyrix, a small Texas chipmaker, bas weighed in with its own patent lawsuit.

Intel is a big target. With 1996 profits of $5.2bn (£3.2bn) on revenues of $20.8bn, the company is often *called Silicon Valley's* "money machine". Tbe joke is that Intel should give up making chips and simply print dollar bills.



With 85 per cent of the world market for general purpose microprocessor chips, its position appears unassailable. To drive its technology forward, Intel plans to spend $4bn on new plants and equipment this year and $2.5bn on research and development. No otber company comes close to this rate of spending.

Intel's technology – the semiconductor chip, the microprocessor and the dynamic random access memory chip are all Intel inventions – has won it worldwide acclaim. It is regularly listed among the "most admired" companies in the US. Its financial performance wins accolades on Wall Street and its management style is reknowned in business schools.

Yet Intel has its critics. On Internet newsgroups and in Silicon Valley eataries, Intel's "obscene profits" are a constant topic. Just as Microsoft has been branded the "evil empire" by its critics, so Intel is depicted by some of its competitors as the "dark force" because of its pervasive influence.

Digital's lawsuit has brought debate over Intel's role in the computer industry to the fore. Digital has charged Intel with "wilfully and deliberately" infringing 10 of its patents that cover elements of microprocessor technology designed to enhance performance.

Mr Robert Palmer, Digital chairman and chief executive, on Tuesday said thet Intel's remarkable growth over the past four years had been achieved by using misappropriated technology. "We don't mind competing against anyone's technology – except our own."

Digital is seeking an injunction to force Intel to withdraw products that allegedly infringe its patents. It is also seeking "huge" damages which it suggests could run into billions of dollars. In an effort to win aupport for its attack on Intel from customers and the public, Digital took out full page advertisements in newspapers reiterating these senti*ments*.

The move is out of character for Digital, which has filed few lawsuits in the past and never one of this magnitude. *It* is all the more surprising because Intel is one of Digital's biggest chip suppliers and also a Digital customer.

Privately, Digital'e competitors describe the lawsuit as e "move of desperation". Digital, whlcb was a pioneer in the era of minicomputers, has struggled since the mid-1980s to adapt to rapid changes in technology brought on largely by the success of Intel's microprocessors.

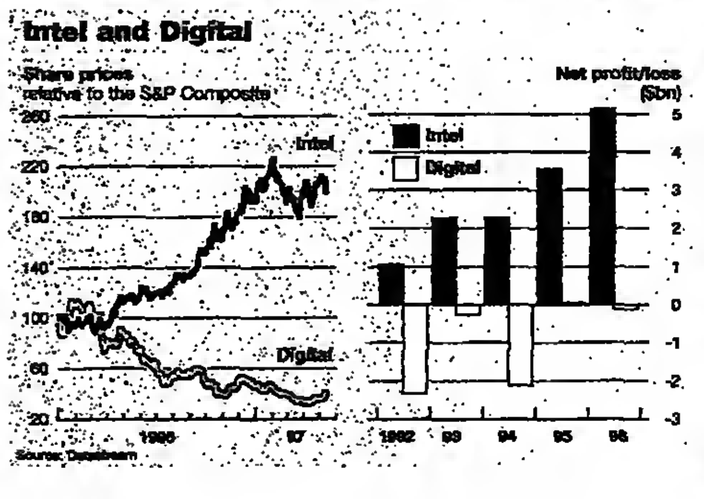
Digital's action reflects its frustration at being unsuccessful in competing with Intel in tbe microprocessor field, some analysts say. Digital has spent heavily to develop its own microprocessors, called Alpha, which are faster than any manufactured by Intel. Alpha, however, has achieved only *limited commercial* success. Even Digital sells more computers based on Intel chips than on its own microprocessors, *says Mr Terry Shannon*, publisber of an industry newsletter.

Digital's action is also a "preemptive strike", says Mr Shannon, *against Intel's effort jointly* to develop high-speed microprocessors with Hewlett-Packard, the second largest US computer company. These chips, codenamed Merced, are a threat to Digital because they could marginalise any competitive advantage it gained from Alpha devices.

"If the lawsuit sent the Merced design team back to the drawing board [to eliminate design elements covered by Digital's patents] that would cause heartburn for both Intel and Hewlett-Packard," says Mr Shannon.

The merits of Digital's claims are difficult to assess. Digital says it has found "substantial similarities" between Alpha and Intel's chips, but sucb similarities are not uncommon. "Microprocessors are highly complex and often have many similarities to other microprocessors that are developed independently," says Mr Linley Gwennap, senior analyst at MicroDesign Resources. Even Intel, with its wealth of microprocessor experts, bas completed only a "preliminary analysis" of the *Digital* patents. *Based* on this analysis, thongh, Intel says it has found "no infringement" and has vowed to "vigor*ously defend" itself against Digi*tal's charges.

Digital cannot expect an easy fight. Intel is reknowned as a *tough litigant*. It pursued legal battles against Advanced Micro Devices, a Silicon Valley rival, for nearly a decade. Many industry analysts also expect Intel to launcb a counter attack against Digital, probably in the form of a matching patent infringement suit. Intel appeared to hint at this when it noted it bad been granted more than 1,000 patents covering semiconductor and microprocessor technology over the past three years.



The legal battles could drag on for years. "Unless these parties get together and quickly resolve it, you suspect that the lawyers are going to make more money than their clients," says one Silicon Valley intellectual property lawyer.

Aside from the legal wrangling, Digital has also raised issues that may present a more difficult challenge for Intel. In announcing the lawsuit, earlier this week, Digital's chairman went beyond the legal complaint to raise the spectre of alleged anti-competitive behaviour by Intel.

Intel had achieved a "monopoly position" in the market for microprocessors in *personal* computers and was now attempting to extend this monopoly to high-performance workstations and *servers*, Mr Palmer asserted. "This is a threat to the competitive environment essential for innovation and growth in our industry. Intel's conduct not only threatens the general competitive environment, it directly threatens those companies that invest in innovation, lika Digital," he said. "The time has come for these unlawful practices to stop and Digital is determined to see that they do."

In the early 1990s, the US Federal Trade Commission conducted an anti-trust investigation of Intel, hut took no action. Yet as Microsoft *knows well*, public criticism by compatitors can sometimes rouse the interest of competition authorities. After years of investigation, *Microsoft* settled anti-trust charges with a consent decree that demanded some changes in their software licensing contracts. It would not be surprising if Intel's overwhelming market dominance, which has advanced considerably since the FTC investigation, once again came under scrutiny.

Intel does have competitors, albeit distant ones. The company acknowledges that its competitors are a "ussful" defence against monopoly charges. Moreover, Intel claims to have assiduously avoided predatory action against these chipmakers. "Our strategy is to grow tha market as a whole."

Ironically, Intel'a direct competitors are no longer its most virulent critics. Advanced Micro Devices, which makes chips that mimic tbe functions of Intal's microprocessors, buried ths hatchet with Intel in 1995 after a long and bitter legal battle. Before the "peace treaty" AMD regularly accused Intel of monopolistic behaviour and unfair deal*ings. Even Cyrix*, which *filed a* separate patent infringement suit against Intel on Tuesday, is refraining from public criticism.

Intel does, *however, face* discontent among its customers in the personal computer industry. With its dominant market share, Intel is in a *position* to influence industry-wide pricing. The chipmaker is also able to allocate sometimes scarce chips to individual customers, giving it enormous power over PC manufacturers.

What is more, Intel increasingly competes with the very companies that rely upon it for chips. "Intel is sucking profits out of the infrastructure of the PC industry," says one critic. Intel, for exampla, is now reputed to be the world's largest producer of PC "motherboards", the main circuit boards of PCs. It has also become a large-scale producer of "network interface cards" used to link PCs to corporate networks. A recent price cut on Nics by Intel took *its toll* on competitors including 3Com.

There can be few large companies that do not attract some criticism. For Intel, this is the price of extraordinary success. Yet es Microsoft has learned from its tangles with the US Justice Department, being unpopular can sometimes be bad for business.

· OBSERVER ·

Ché sera sera

■ Middle-aged ex-hippies and revolutionaries *manqués* might not be every country's idea of perfect tourists. But Bolivia's national *tourism* secretariat has decided that's just who it wants to attract to the spectacular but little-known country in the heart of Latin America.

To mark the 30th anniversary of the death of Ernesto "Ché" Guevara, the bearded revolutionary whose romantic gaze still sells many a poster, it is launching package tours to the remote jungle region where Argentine-born Ché battled it out with the Bolivian army, after he quit as Castro's right-hand man in Cuba's communist government and attempted to stir up revolution on the South American continent. He was captured on October 8 1967, and executed the next day.

Since Ché's unmarked grave has never been found, tourists will have to make do with a stop at the Vallegrand hospital where his corpse was displayed for the last time.

Even if Ché has become an almost mythical figure for the west, people in remote Bolivian communities honour his *memory*, and Bolivian *tourist* officials are hoping that they will become enthusiastic guides. Perhaps the anti-establishment young who plastered student lodgings with Ché posters in the 1970s will be happy to spend the *good hard currency they have* since earned in their capitalist societies in the land of Guevara's death.

Right or left?

■ David Blunkett, Britain's new minister in charge of education and employment, will have to do without his guide-dog Lucy the labrador when he travels to Brussels to parley with his new Euro-pals. The most obvious obstacle to Lucy's Continental walkies is Britain's arcane anti-rabies laws. Seems there are absolutely no exceptions to the rule, which states that all animals returning from overseas have to spend six months in the slammer.

But there's an even bigger doggy dilemma. Because Lucy was trained in drive-on-the-left Britain, an aide explains that taking her to the heart of Europe would not only be illegal, but highly dangerous in drive-on-the-right Brussels. "She would look the wrong way when it came to crossing the road."

Crying fowl

■ You have to feel sorry for Brazilian planning minister Antônio Kandir. Once he had got the accident-prone privatisation of the CVRD mining group off his plate last week, be must *hava looked forward* to a relatively relaxed conference on Wednesday in São Paulo, where he was to tell foreign businessmen that it they invested in Brazil, they'd never regret it.

But back in his ministry in the capital Brasília, 400 agricultural workers invaded the corridors and turned some farm animals loose – their way of saying thet agricultural reform wasn't moving fast enough. Kandir had to scurry back to base, where be found a large turkey sitting on his paper-strewn desk. "It's an animal that talks a lot but does little," said one demonstrator.

False economy

■ Norwegians must hope not all their economists think like Jorgen Gilberg, who is working as a taxi-driver in Denmark to help fund his studies. He picked up a fare from Copenhagen to Rome this week, but during the 24-hour, 2,180 kilometre jaunt through Denmark, Germany, Austria and most of Italy, he didn't think to check if he'd get paid. "I thought be was filthy rich," he said. To be fair, the same customer had *paid up for* the same trip the previous year.

In Rome, the passenger announced be'd have to collect the $3,570 fare from the Pope. Gilberg's economics training did snap into gear, wben he decided *to seek some return from a small* marginal cost: he drove the 66-year-old back to Denmark. "The car was going back anyway," said Gilberg. He hopes to be paid "at least something".

Poverty knocks

■ For the second year running, the Philippine House of Representatives has identified former first lady and world-class shoe collector Imelda Marcos as its poorest member, with a negative net worth of $1.1m.

Observer understands that some people doubt her claim to poverty. Maybe it's ber trips in a sparkling Mercedes limousine from her pad in Manila's poshest apartment block to the latest charity do or political lunch. Or maybe it's got something to do with $500m of Marcos money in Swiss bank accounts. Poverty is, after all, relative.

Lousy knight

■ Observer is beginning to wonder whether reigning world champion Garry Kasparov's drubbing by Deep Blue, IBM's all-knowing chess computer, has left him with a buge chip on his shoulder.

The Financial Times 50 years ago

Failure In Germany
Mr Bevin, Foreign Secretary, stressed in the Commons yesterday that economic unity in Germany was the first essential step towards the recovery of that country. Economic unity had, however, not been attained in Germany, said Mr Bevin, because the proper pooling of foodstuffs had not been carried out as envisaged in the Potsdam agreement. This had not been the fault of the British Government. The Potsdam agreement had failed and this had brought much hitterness and understanding. The Foreign Secretary warned the House that if the problems of Germany and Austria and the relations between the East and the West were not brought to a more satisfactory conclusion, "no one can prophesy the course the world will take."

Belgium's Economy
M. Daviersart, Minister for Economic Affairs, has summarised the Government's policy in these terms: Maintenance of maximum prices and controls in those sectors where prices are pushed upwards by persistent scarcity; Improvement in quality of products by means of modernisation of equipment.

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Suspected extortionists held in Nomura probe

By Gillian Tett in Tokyo

The Japanese government'e investigation into Nomura, the country's largest securities company, gathered pace yesterday wben Tokyo prosecutors arrested two men alleged to have acted as tha corporate extortionists at the heart of the recent scandal.

Prosacutors also raided Nomure's head office amid growing signs that the regulators plan to use the investigation to send a stern message to the country'e financial community to clean up its ethics.

Mr Tadashi Ogawa, Japan's deputy finance minister, warned that the scandal had damaged investor confidence in the securities industry and said it was imperative that trust be restored.

"We are very concarned about the fact that the problem of Nomura has caused a big loss of trust by investors in the stock markets," he said. "It has dealt a severe blow to the markets, especially as the scandal involved a leading company like Nomura."

His commeots fuelled expectations that the government was preparing to impose heavy penalties after the Securities and Exchange Surveillance Commission earlier this week lodged a complaint against the company, two former directors and a general manager.

The decision by the commission to target the company for its criticism has come as a blow to Nomura, as it has always insisted that isolated individuals, rather than the eenior management, was responsible for tha scandal.

The complaint alleges that in 1995 Nomura channelled about Y50m ($420,000) to a property company, Koike, that was linked to *sokaiya* – corporate extortioniets who take bribes for not disrupting shareholders' meetings. Koike, which was both a Nomura shareboider and client, is alleged to have been illegally compensated for investment losses. Yesterday'e arrests of the two alleged *sokaiya*, Mr Ryuiche Koike and Mr Yoshinori Koike, follows tha arrests on Wednesday of the Nomura executives.

Nomura's shares fell for the second day running, closing Y90 lower at Y1,390, after being the most actively traded share on tha stock exchange.

Mr Junichi Ujiie, Nomura's recently appointed president, is intensifying efforts to promote internal change following the removal of 16 senior directors earlier this month. The company's annual etaff rotation is due to be implemented next week and is widely expected to bring the removal from power of older staff who have been associated with the *sokaiya* scandal.

Utilities prepare to contest windfall tax in UK

By Alan Cane and David Wighton in London

The UK government faces e welter of potential legal challenges to its plans to raise more than £3bn ($4.8bn) from a windfall tax on "excess profits" of privatised utilities.

British Telecommunications and BAA, the airports operator, took a lead yesterday in promising to seek legal redress for unfair treatment under the tax provisions that Mr Gordon Brown, the finance minister, is expected to disclose in his first budget.

Sir Iain Vallance, BT chairman, said: "If we are stung in a big way for this tax, and if it can be challenged legally, we owe it to our shareholders to challenge it."

He said he voted for Labour in the general election but would not have done so if he had believed BT would be caught by the tax.

BT would be likely to challenge the tax under European Union competition law, arguing that tha government would be unfairly damaging its competitiveness and upsetting the market balance.

Mr Des Wilson, director of corporate affairs at BAA, said: "We have made it clear to the Treasury that we would not expect to be included [in the tax], and are taking legal advice."

BT threatened legal action after trying for six months to discover whether it would be included in the levy.

In March, Mr Brown had announced that the tax would apply in principle to all privatised companies licensed and regulated by statute, which includes BT.

But the company, which yesterday announced a 6 per cent increase in pre-tax profits to £3.2bn, had believed it would be excluded until last weekend when Mr Geoffrey Robinson, the minister with responsibility for administering the tax, said there was no reason why BT should be excluded.

"BT's reaction is the best news we've had," said one senior electricity industry executive. "How can the government spare them now? It means more companies in the net and a proportlonetely lower tax for us all."

A Treasury official said it had confidence in its legal advice that any cballenges would not succeed.

The government has come under pressure from US groups which have acquired seven UK regional electricity companies. Several of them joined in a letter to Mr Tony Blair, the prime minister, requesting e meeting. "We would like to take up the promise of consultation," said one of the companies.

Bonn plans to revalue gold reserves

Continued from Page 1

finance ministry'e group of axperts released their estimates of tax shortfalls up to 2001.

They calculated that this year's overall tax income of the federal, state and local authorities wonld he DM813.1bn, or DM18bn less than forecast last November. This result was not as bad as expected, witb the DM9.1bn shortfall attributed to the federal government only slightly higher than the DM8bn already accounted for in January. However, the experts forecast tax shortfalls of DM32bn a year and more for the following three years.

Mr Waigel was unable to predict Germany's overall deficit this year. But he said that high unemployment, currently around 4.3m, was a greater problem for the federal budget than the tax shortfall and could produce additional burdens of between DM10bn and DM20bn.

Nooetheless, he was confident that Germany, which has predicted a public deficit of 2.9 per cent of gross domestic product, would be able to comply with the Maastricht public deficit ceiling of 3 per cent of GDP.

Europe's cable TV groups agree on standard decoder

By Raymond Snoddy in London

Many of Europe's leading cable television groups, including the largest, Deutsche Telekom, have agreed to create a standard decoder for digital cable television systems across continental Europe.

More than 1m of the decoders are expected to be ordered in the next 18 months and cable television subscribers could soon be offered more than 100 television channels.

Deutscbe Telekom, with more than 16.67m cable customers at the end of last year, bopes to launch its digital cable box at the Berlin consumer electronics show in August and its cable service before the end of the year.

The launch of a digital cable standard is backed by the leading Dutch cable operators, Casema and Mediakabel, and Telia InfoMedia TeleVision of Sweden, as well as Deutsche Telekom. But most members of the European Cable Communications Association, whicb drew up the standard, are expected to take part.

Cable companies have been working on digital cable technology to counter the competitive challenge from digital satellite companies. A single "Eurobox" is expected to reduce costs through standardisation and bulk orders.

Tbe Eurobox will use the Viaccess system developed by France Telecom, which allows the charging of subscriptions.

Deutsche Telekom has called a meeting of the German media in Bonn on Tuesday in an effort to sort out squabbles over the introduction of digital technology in Germany. The company ie expected to announce its formal support for the Eurobox after this meeting.

Cable & Wireless Communications and Telewest, which account for two thirds of the UK cable industry, have chosen a system produced by General Instrument of the US.

Mr Derek Lewis, chairman of UK Gold, the cable and satellite channels, who co-ordinated the UK project, said the Eurobox came too late for British cable operators, which were nervous that British Sky Broadcasting would launch digital satellite this autumn. The BSkyB launch has been postponed until spring.

Shares in Internet book shop surge

Continued from Page 1

$200,000 in 1995. The company reported sales of $16m of books to 180,000 customers in 100 countries last year.

However, Mr Bezos said monthly revennes were increasing by between 20 and 30 per cent at the end of last year.

Amazon.com has already provoked the ire of Barnes & Noble, a fast-growing physical book store in the US, which is seeking an injunction to prevent Amazon from calling itself the world's largest book store.

Barnes claims that, since Amazon.com etocks only e limited number of the 2.5m books it claims to offer, it is merely a brokerage.

THE LEX COLUMN

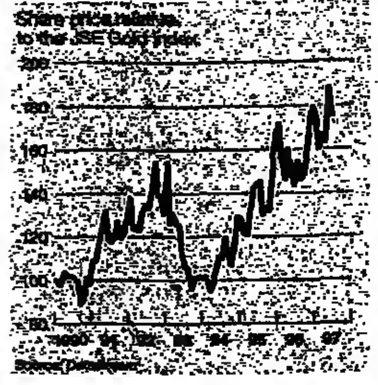
Taxing Theo

Germany's finances are in a mess. Tax revenues are below target while spending on unemployment benefits is ahead of forecasts. To get the budget deficit below the 3 per cent ceiling required for monetary union, the government must find an extra DM15bn-DM20bn – around 0.5 per cent of gross domestic product. An immediate public sector spending freeze would narrow the gap. But deeper cuts or tax increases would be political dynamite.

It is small wonder then, that Mr Theo Waigel, the finance minister, is knitting his famously furry eyebrows to come up with something more creative. Unfortunately, both wheezes he has suggested so far look more like public relations disasters in the making than solutions. By selling shares in Deutsche Telekom earlier than promised, the government would depress the price and upset thousands of small investors, while the proceeds would not even count towards deficit reduction. If, instead, it forced the Bundesbank to revalue its gold reserves and appropriated some of the profit, it would help the finances; but by openly fudging the Maastricht criteria Germany would be committing the very sin it has criticised others for.

A better alternative might be to admit that Germany will miss the 3 per cent in 1997, but to promise better things for 1998. With all the political momentum behind monetary union tha markets would probably prefer that to a fudge. Either way, though, Germany will find it harder to argue for excluding fringe countries like Italy.

FTSE Eurotrack 200:
2369.6 (+6.5)



SBC/Dillon Read

For Swiss Bank Corporation to snap up Dillon Read may make pereuasive sense, but no one need believa that a $600m ecquisition is enough to give SBC a ticket to the global investment banking "bulge bracket". Dillon Read is not quite a boutique but its real strength is in mergers and acquisitions advisory work: even there it was ranked only 17th in the US last year. SBC does gain credibility and a respected brand name in the US – but at a purchase price of three times book value, so it should.

Still, a price tag of 10 times earnings is defensible when there is compelling value to be had from combining the businesses. Together they should be better placed to win US-European cross-border advisory work. And SBC's balance sheet strength should benefit Dillon Read in the capital markets. The real question is whether SBC can pull off the inevitably tricky process of pooling two people businesses. But here the ultimately successful integration of SG Warburg suggests the Swiss should perhaps be given the benefit of the doubt.

Gold Fields

He was pre-eminent in South Africa's constitutional negotiations and played a dominant role in producing a new constitution, but can he run a mining house? Mr Cyril Ramaphosa's progress up the South African corporate ladder has been dazzling. But news that he is in line to take joint control of Gold Fields of South Africa presents him with a challenge the equal of any of these. Gold Fields has been a disastrous performer in recent years and restructuring is long overdue. The Northam platinum debacle has been the most conspicuous failure, but mismanagement of some of the world'e richest gold mines comes a close second.

A management style at once paternalistic, antocratic and complacent lies at the root of the problem. If Mr Ramaphosa can improve relations between miners and managers, he could add enormous value to the group. This is no mean challenge; and a black skin and union background are no guarantee of success. But as a former head of the National Union of Mineworkers, Mr Ramaphosa stands a better chance than most. Moreover, an inability to improve industrial relations would represent a particularly embarrassing failure.

Mr Ramaphosa should not, however, be content with so modest an agenda. There is a strong case for ditching non-gold interests and using the money to develop Gold Fields' African gold operations. It already has a jewel in the form of the Tarkwa mine in Ghana, while Mr Ramaphosa'e charm and status are a formidabla bargaining chip north of the Limpopo.

MAM

Does Mercury Asset Management enjoy a licence to print money? It is sometimes tempting to think so. After all, MAM has the luxury of e leading position in a market which is simultaneously growing and oligopolising. Not only is savings growth strong, but fund management is increasingly concentrating in the hands of a few big firms.

Doubtless their performance is part of the explanation. But just as important is the conservatism of penslon fund consultants. With etrong evidence that past performance is not a decent guide, picking a good fund manager is horribly tricky. So consultants tend to go for the biggest and safest-looking firms – no one ever got fired, after all, for picking MAM. And while the dramatic rise of Morgan Grenfell Asset Management showed it *is* possible to crack into this group, the antics of Mr Peter Young and Ms Nicola Horlick are a powerful reminder of the risks associated with exceptional performance.

So MAM's lead, and therefore its margins, look formidably secure. But that does not make it a riskless investment. Consider the figures: MAM's revenues may have grown by 27 per cent last year, but much of this was the product of booming markets. Probably a better guide to underlying growth was the £5.3bn of net new business – increasing funds under management by just 7 per cent. That compares, depressingly, with a 29 per cent jump in costs.

What then happens when the long bull run for equities slows? Theoretically, profit growth can be protected by slashing variable pay packages. Bnt quite how far remains to be seen. Certainly MAM's rating – 20 times prospective earnings – looks perilously aggressive after so many years of equity market strength. Yesterday's note of gentle caution from the chairman seems timely.

Additional Lex comment on Compass, Page 25

FT WEATHER GUIDE

Europe today

The Low Countries, southern England and northern France will have a few thunder showers as warm, moist air from the Continent moves westward.

Germany and Poland will have a warm day with maximum temperatures of about 30C in some places. Sweden and Norway will be sunny, although it will be much cooler with temperatures of between 15C and 18C.

Spain and Portugal will have frequent showers.

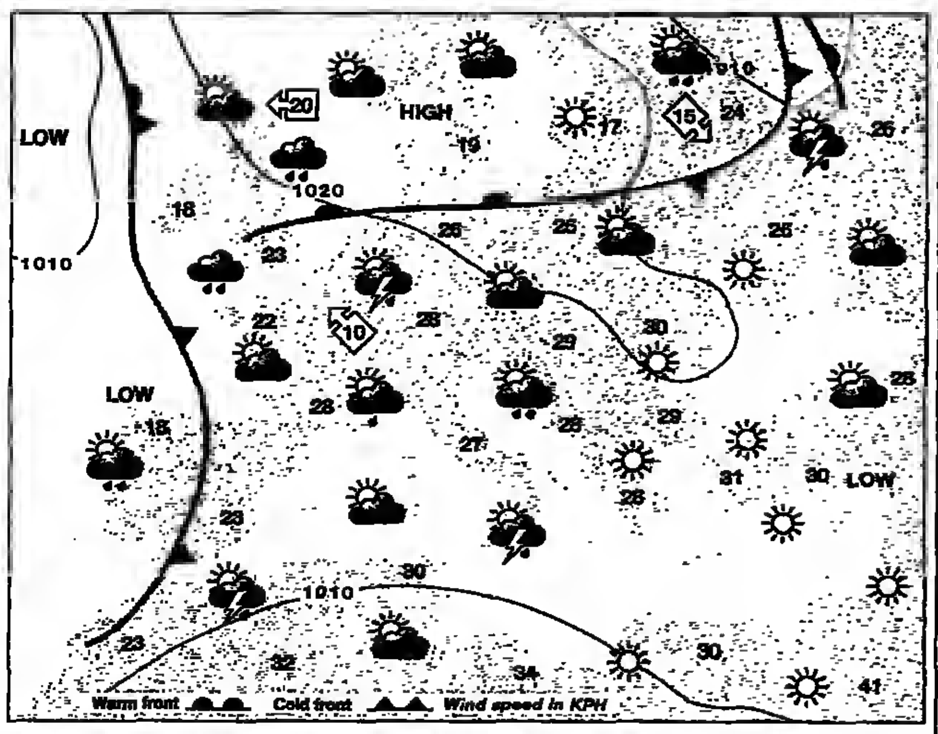
Italy will be sunny with occasional showers in the south. The interior of Turkey will have isolated thunder showers.

Five-day forecast

During the next couple of days, thunder showers will continue over the Low Countries, France and southern England.

Central and eastern Europe will stay sunny and mostly dry.

The Mediterranean will be sunny with occasional thunder showers over Italy and Spain.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum	Beijing	fair 30	Caracas	fair 32	Faro	shower 21	Madrid	shower 22	Rangoon	fair 32
	Celsius	Belfast	fair 19	Cardiff	fair 19	Frankfurt	fair 28	Majorca	fair 23	Reykjavik	shower 10
Abu Dhabi	sun 39	Belgrade	fair 26	Casablanca	shower 22	Geneva	fair 28	Malta	fair 25	Rio	fair 23
Accra	sun 32	Berlin	fair 29	Chicago	fair 14	Gibraltar	shower 20	Manchester	fair 18	Rome	fair 27
Algiers	fair 21	Bermuda	shower 24	Cologne	fair 27	Glasgow	fair 18	Manila	fair 34	S. Frsco	sun 27
Amsterdam	thund 25	Bogota	fair 20	Dakar	sun 27	Hamburg	fair 24	Melbourne	fair 14	Seoul	fair 20
Athens	sun 27	Bombay	sun 33	Dallas	shower 28	Helsinki	fair 17	Mexico City	fair 22	Singapore	fair 33
Atlanta	sun 23	Brussels	thund 26	Delhi	sun 39	Hong Kong	cloudy 30	Miami	fair 31	Stockholm	fair 18
B. Aires	fair 22	Budapest	fair 29	Dubai	sun 40	Honolulu	fair 29	Milan	fair 25	Strasbourg	fair 29
B.ham	shower 20	C.hagen	fair 18	Dublin	fair 18	Istanbul	sun 25	Montreal	fair 11	Sydney	fair 19
Bangkok	fair 38	Cairo	sun 32	Dubrovnik	shower 26	Jakarta	fair 32	Moscow	shower 18	Tangier	shower 22
Barcelona	shower 21	Cape Town	shower 21	Edinburgh	fair 14	Jersey	cloudy 16	Munich	fair 30	Tel Aviv	sun 31
						Karachi	sun 39	Nairobi	fair 25	Tokyo	rain 24
						Kuwait	fair 42	Naples	shower 27	Toronto	fair 11
						L. Angeles	fair 26	Nassau	fair 32	Vancouver	fair 21
						Las Palmas	fair 25	New York	cloudy 19	Venice	fair 25
						Lima	sun 27	Nice	fair 26	Vienna	fair 28
						Lisbon	shower 19	Nicosia	sun 34	Warsaw	fair 26
						London	shower 24	Oslo	fair 17	Washington	fair 21
						Lux.bourg	thund 25	Paris	fair 27	Wellington	fair 15
						Lyon	fair 29	Perth	fair 24	Winnipeg	cloudy 11
						Madeira	fair 21	Prague	fair 28	Zurich	fair 25

FINANCIAL TIMES

COMPANIES & MARKETS

Friday May 16 1997 — Week 20

IN BRIEF

US retailers still struggling to grow

First-quarter results from the big US store groups show that the retail sector, burdened by overcapacity, is still struggling to benefit from increases in consumer spending brought by growth in the US economy. Page 23

Ex-Zeneca chief in new venture
Dr Bernard Salick, the colourful US entrepreneur who left UK drugs company Zeneca in acrimonious circumstances last month, is attempting to raise up to $300m to compete with his former employer. Page 25

Avesta optimistic despite losses
Avesta Sheffield, one of the world's biggest makers of stainless steel, said it was cautiously optimistic about prospects for this year after announcing a pre-tax loss of SKr124m ($16.3m) for the year to March 31. Page 21

Portugal sets electricity share price
Portugal set a price range of Es1,750-2,250 a share for a global offer of Electricidade de Portugal, the national utility, valuing the group at Es1,050bn-1,350bn ($6.1bn-7.9bn). Page 22

UPM predicts recovery this year
UPM-Kymmene, Europe's largest forestry group, raised hopes of an end to the 18-month downturn in the sector, predicting that rising pulp prices and demand for paper would underpin a recovery during the rest of 1997. Page 21

Aegon raises full-year forecast
Aegon, the Dutch insurance group, increased its full-year forecast after announcing a 23.9 per cent jump in first-quarter net profits to Fl 403.4m ($212m). Page 22

Nedcor posts robust increase
Nedcor, the South African banking group, announced a robust increase in interim profits in spite of volatile trading conditions and fierce competition in the corporate market. Page 21

Dow Chemical to buy Eli Lilly's stake
Dow Chemical agreed to buy Eli Lilly's interest in their joint agricultural products venture in a transaction valued at $1.2bn. Page 23

Companies in this issue

Market Statistics — http://www.FT.com

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
DLW	175	+	25
Hochtief	77.50	+	3.50
Klockner Wk	133.50	+	11.50
Leifheit	61	+	3.70
Falls			
GEHE	115.50	–	2.75
Siemens	98.10	–	1.69
NEW YORK ($)			
Rises			
Pohang Iron	27¾	+	1⅛
Precision Drl	43¾	+	2⅛
St John Knits	41⅞	+	2⅛
Vimpelcom	32¼	+	1⅛
Falls			
Cap One Fini	38¾	–	3⅛
Reading Bates	27	–	1⅛
LONDON (Pence)			
Rises			
Calderburn	35½	+	5
Kingsbury	156½	+	8
Sheffield Utd	64	+	6
Falls			
Burton	145	–	9
Pacer Infotech	90	–	14½
Sainsbury (J.)	371½	–	9
TORONTO (C$)			
Rises			
CRS Robotics	4.40	+	0.65
Pacalta Res	14.85	+	1.75
Samex Gold	5.75	+	0.55
Falls			
Conlonto	5.50	–	0.85
Gandalf Techs	1.70	–	0.74
Mytec Tech	3.40	–	0.60

PARIS (FFr)			
Rises			
Casino	273.50	+	1.70
CCF	280.50	+	6.80
Peugeot	673	+	29
Falls			
Carrefour	3600	–	60
Havas	436.10	–	10.10
Sidel	420	–	9.90
TOKYO (Yen)			
Rises			
Karita Wtr	2870	+	50
Tokyu Land	404	+	16
Falls			
Canon	2930	–	70
Denso	2850	–	60
Hoya	5250	–	220
Nomura Sec	1380	–	90
HONG KONG (HK$)			
Rises			
Sime Dar HK	9.05	+	0.10
Vertronix	11.65	+	0.35
Falls			
Chinese Est H	7.60	–	0.10
Henderson Inv	8.65	–	0.35
Shaw Bros	7.70	–	0.30
Wheelock	18.30	–	0.20
BANGKOK (Baht)			
Rises			
Asia Sees	28.25	+	3.38
Songkla Cang.	25.25	+	2.25
Thai-Asahi Gls	28.25	+	2.25
Thai Factory	39.25	+	3.50
Falls			
American Stand	252.00	–	28.00
Loxley Publ	54.00	–	6.00

New York & Toronto prices at 12.30.

SBC set to buy Dillon Read

US bank bought for $600m after collapse of discussions with ING

By William Lewis in London and Tracy Corrigan in New York

Franklin Hobbs (left), president of Dillon Read, and Hans de Gier, executive chairman of SBC Warburg — Picture: Fergus Wilde

Swiss Bank Corporation is to pay $600m to buy Dillon Read, the Wall Street investment bank, as part of its attempt to become one of the world's leading investment banks.

Dillon Read, a partnership which specialises in mergers and acquisitions, is to be merged with SBC Warburg, the investment banking division of SBC which will be renamed SBC Warburg Dillon Read.

Yesterday's announcement follows the collapse of talks between Dillon Read and ING, the Dutch financial group which owns 25 per cent of the Wall Street firm.

Mr David Solo, chief operating officer of SBC Warburg, said he expected the merger to be completed "within three months, maybe just two".

Mr Franklin Hobbs, president and chief executive officer of Dillon Read, is to become head of corporate finance worldwide for the new division and Mr Francois De Saint Phalle, vice chairman and chief operating officer of Dillon Read, is to become deputy head of equity capital markets worldwide and co-head of US equities.

Mr Solo said the deal was being financed with existing SBC stock and would not result in a material dilution of earnings. It represents about three times book value.

Mr Solo worked with Mr Hans de Gier, SBC Warburg executive chairman, to negotiate the deal with Dillon Read executives. The deal requires regulatory approval, including that of the US Federal Reserve Board.

Mr Solo said that payment of the shares to Dillon Read partners would be staggered over the next two and a half years and that senior executives had signed contracts which would stop them working as competitors for a "lengthy" period if they resigned.

The deal will strengthen SBC Warburg's small corporate finance operation in the US and help it win more international mergers and acquisitions business. SBC will also be seeking to exploit Dillon Read's research department and equity issuing business. "We are going to use our engine to power their network," Mr Solo said.

According to Securities Data, which tracks transactions, Dillon Read ranks 16th in mergers and acquisitions in the US for the year to date.

In equity underwriting, Dillon Read is 19th, with a market share of just under 1 per cent, ahead of UBS.

Competitors said that the deal was one of the most significant acquisitions by a European bank in the US since Credit Suisse took control of First Boston.

Editorial Comment, Page 23
Lex, Page 24
SBC on Wall St, Page 22

Japan's smaller brokers hit by losses

By Gillian Tett in Tokyo

Japan's small and medium securities companies yesterday reported a flood of losses, highlighting the weak state of the industry as it prepares for financial deregulation.

The poor results reflected the recent stock market weakness and the fall in share trading volumes last year. Commissions on brokerage are the main profit source for the companies.

The Japanese government is preparing to deregulate the charges for brokerage commissions – currently fixed for most trades – over the next two years as part of its deregulation proposals.

Analysts have predicted that the move will cut the cost of commissions by between 30 per cent and 50 per cent and many of Japan's securities houses would not be able to serve in the deregulated environment.

Mr Paul Heaton of Deutsche Morgan Grenfell said: "We see little future for many of the smaller brokers. Few companies appear to have strategies to deal with the Big Bang commission deregulation."

Smaller brokers are considered to be more vulnerable than their larger counterparts in the deregulated climate because they rely more on individual investors, and few have moved into other financial product areas.

Nine of the 10 medium-sized brokers notched up losses for last year. For two of them – Yamatane and Dai-Ichi – the losses were the seventh in a row: the groups recorded pre-tax losses of Y7.5bn ($59.52m) and Y8.5bn respectively.

Kankaku and Sanyo recorded losses for the sixth consecutive year. Kankaku's pre-tax loss deepened to Y21.9bn amid a sharp decline in operating revenues, while Sanyo's net losses of Y2.3bn largely reflected bad loan write-offs to an ailing non-bank affiliate.

Wako, in which the US investment group Capital recently purchased a stake of more than 5 per cent, also notched up a large loss of Y11.4bn in the financial year.

Kokusai Securities was the only medium-sized company to report a profit, of Y5.8bn, owing to healthy bond sales.

Shares in MAM fall on growth warning

By William Lewis, Investment Correspondent

The price of shares in Mercury Asset Management, the UK's leading fund management group, fell yesterday by almost 5 per cent after it ruled out a share buyback and warned that its rate of growth could slow.

Releasing year-end results yesterday, Mr Hugh Stevenson, chairman, said that while the company's performance in the 10 years since it floated had been exceptionally strong, "shareholders cannot necessarily expect these rates of growth to be sustainable in the future".

He said that this was partly because of concerns about the effect the new Labour government might have. "A change of government in the jurisdiction where a very high proportion of our clients' assets are does, I think, add considerably to the uncertainty."

Mr Stevenson said that there were "question marks" about what changes the government would make to the corporate tax system, including the system of advance corporation tax credits. "I am not gloomy, I am cautious," he said.

Since becoming a public company 10 years ago, MAM's earnings per share have increased by a compound annual growth rate of more than 20 per cent.

MAM's pre-tax profit, before exceptional items, for the year to March 31 increased by 22 per cent to £171.3m ($277.5m). Adjusted earnings per share increased by 20 per cent to 63.8p and it attracted £5.3bn of net new business, a record for the company, taking the total funds under management to £89.7bn from £21.4bn.

The company is proposing a final dividend of 35p (29p) which would take the total dividend to 45p (35p). MAM's share price fell by 69.5p to close at £13.72.

City analysts were positive about the results but were disappointed by MAM's statement that "it would not be in the best interests of the shareholders to reduce the capital of the company at this time by a repayment to shareholders".

Last December it emerged that MAM was examining the possibility of returning about £100m to its shareholders through a buyback. In February, however, MAM raised a £250m standby loan from a syndicate of banks to enable it to deal with the sort of crisis that hit its rival Morgan Grenfell Asset Management last year. Shareholders' funds stood at £284m on March 31.

Lex, Page 18

Bosch warns unions that wage costs are driving industry out of Germany

By Graham Bowley in Frankfurt

Robert Bosch, one of Germany's leading companies, delivered a broadside against the country's unions yesterday, warning that high wage costs were driving industry abroad.

Mr Hermann Scholl, the chairman, said union demands for a shorter working week were endangering the competitiveness of German companies and discouraging foreign investors and customers.

The attack came as Bosch, one of the world's leading manufacturers of electronics and car components, revealed that this year, for the first time, it will employ more workers abroad than in Germany, a result of acquisitions around the world.

Mr Scholl said: "Components or tools which we can no longer produce in Germany at competitive prices because of high labour costs, we shall increasingly have to manufacture in more favourable cost conditions abroad."

His comments come against a background of high unemployment in Germany and at a time when companies such as Daimler Benz and Volkswagen have moved production to regions such as the US and eastern Europe to take advantage of lower wage costs.

Companies such as VW and Opel are locked in protracted negotiations with unions at present as they seek more flexible working agreements. Mr Scholl said a demand by one of the country's most powerful unions to ease unemployment by cutting work hours was "a step in the wrong direction".

Presenting annual results, Bosch blamed rising wage costs, as well as lower prices for car industry products, for a drop in return on sales – which fell from 4.6 per cent in 1995 to 4.1 per cent in 1996.

Bosch said group sales rose 15 per cent to DM41.1bn ($24.2bn), boosted by acquisitions in the US and France and consolidation of other parts of the group. On a comparable basis, group sales increased 4.8 per cent.

Sales outside Germany increased 25 per cent to DM25bn, with the strongest growth in the US, the group's biggest foreign market, India and Mexico. US sales more than doubled to DM4.5bn. Sales in Asia increased by about a third to DM2.5bn.

Group net income was DM500m in 1996, down from DM550m in 1995. Pre-tax income was DM1.67bn, compared with DM1.65bn in 1995.

Car equipment sales rose 19 per cent to DM24.5bn, including acquisitions. Consumer goods rose 17 per cent to DM9.2bn. But the capital goods business stagnated.

UCI to develop 20 multiplex cinemas in Japan

Five-year expansion seeks new audiences in immature market

By Alice Rawsthorn in London

United Cinemas International (UCI), the cinema chain owned jointly by Seagram and Viacom, the North American entertainment groups, plans 20 new multiplex cinemas in Japan over five years.

UCI declined to disclose the cost for all 20 Japanese multiplexes. However, it expects to spend $17m on a complex at Sapporo.

It has joined forces with Fujita Shoten, the Japanese trading house, to finance the project.

The Japanese expansion comes at a time when UCI and other international cinema operators, notably Time Warner of the US and Australia's Village Roadshow, are building cinemas throughout Europe and Asia.

European and Asian cinema markets are regarded as relatively immature, particularly compared with North America, where hundreds of multiplexes and megaplexes have been launched in the past decade.

With the North American market now approaching saturation, investment is being channelled elsewhere. Most international chains are currently concentrating on Europe, but several are starting to develop the Asian market.

Samsung, the electronics and entertainment group, recently announced proposals to build five multiplexes with a total of 48 screens in its native South Korea by 2002. Golden Cheil, a joint venture between Golden Harvest and Cheil Jedang, has also announced plans for new multiplexes in Seoul.

UCI first ventured into the Japanese market last November when it launched a seven-screen cinema complex at Otsu.

It intends to open a second multiplex with nine screens at Kanazawa in September, and a third with 12 screens at Sapporo next February.

The investment required to build and equip multiplexes is always high, typically amounting to at least $10m for a complex with fewer than 12 screens in North America or Europe. In Japan, the investment is even greater because of high land prices.

Partly because of the expense and scarcity of land, Japan currently has relatively few cinemas, with one screen for every 70,000 people.

As new screens open, Japanese cinema attendance is expected to increase, as it has done in other countries after aggressive multiplex construction.

In the UK, annual admissions have doubled, reaching 182m last year, since the first multiplex opened at Milton Keynes in 1985. A similar pattern is being seen in other European countries, notably Germany, as multiplexes are launched there.

FTSE EUROPEAN STOCK INDICES

FTSE International and the Amsterdam Exchanges have created a new pan-European stock market index and revamped the existing Eurotop index. **FT reporters** outline the make-up of the new benchmarks

Pan-European indices fill hole

By Philip Coggan, Markets Editor

Index creation is a growing business. FTSE International calculates 2,500 indices every day, including 60 on e real-time basis.

Fund managers need market indices as benchmarks for their performance and as the basis of index tracking funds. They can also hedge against market risk using derivatives based on indices.

Creating pan-European indices is an obvious step forward. As Europe proceeds along the road to economic integration, and launches e single currency, investors are increasingly likely to look outside home markets, and to view their portfolios on a Europe-wide basis.

The introduction of the FTSE Eurotop 300 index and options, and the rebranding of Amsterdam's Eurotop 100 under the FTSE lebel, is dasigned to combine the Amsterdem exchenge's expertise in options trading with the London group's experience in index management and calculation.

The existing commonly used indices – the FT S&P European and the MSCI Europe – contain too many stocks to be useful for derivetives. And the Eurotop indices will take their prices from local exchanges instead of the method used by the Eurotrack indices, whicb used prices quoted on SEAQ International, the London Stock Exchange's system.

The aim is to create indices whose constituents are sufficiently liquid for them to be easy to use but will nevertheless track closely the more broadly based indices. Back testing by Merrill Lynch shows that the Eurotop 300 has closely tracked the FT S&P European index since the start of 1991.

The Eurotop 300, which will be launched in July, will cover 13 countries and provide exposure to 65 per cent of Europe's market capitalisetion. The narrower 100 index covers 9 countries and only 40 per cant of Europe's market value.

The FTSE Actuaries Committees will be responsible for the construction of both indices, so the ground rules will conform with other FTSE benchmarks. Composition of the Eurotops will be based purely on market capitalisetion. Previously, the Eurotop 100 had factored in GNP (for country weightings) and trading volume (for stock weightings).

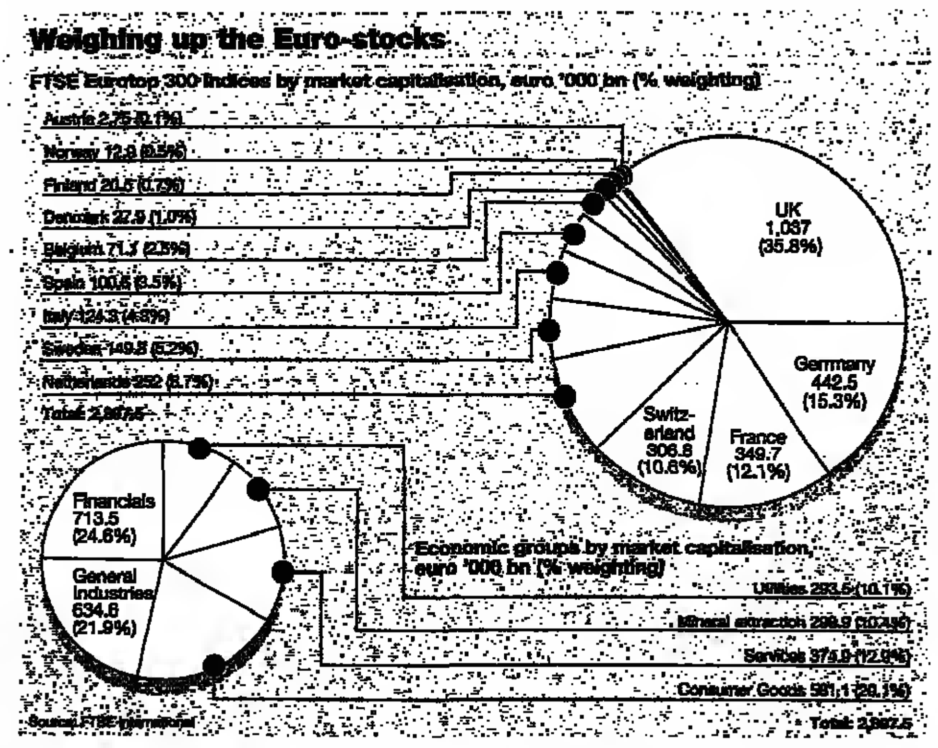
The composition of the Eurotop 100 will now be reviewed annually, rather than every two years. The Eurotop 300, like the FTSE 100, will be reviewed quarterly and will have similar rules for the promotion and relegation of constituents.

Because the UK has a highly developed stock market, it makes up nearly 36 per cent of the Eurotop 300 index. The indices will thus also be calculated excluding the UK, to give investors e better idea of developments in the continental markets.

A Euro bloc component will contain stocks in those countries judged most likely by the European Commission to join s single currency – the Netherlands, Germany, France, Spain, Belgium, Finland, Denmark, Austria and Ireland (altbough Ireland does not currently have any companies large enough to qualify for the index).

In addition, sectoral indices will be created so that investors can track the performance of industries ecross Europe. Initially, these will be based on economic groups – consumer goods, financials, general industries, mineral extraction, services and utilities.

The largest 10 stocks in the Eurotop 300, making up around 19 per cent of it, will be: Royal Dutch, Novartis, Roche, BP, Glaxo Wellcome, HSBC, Shell Transport, Allianz, Nestlé and BP.



Eurotops set to boost Amsterdam

Two new options contracts should strengthen the Dutch exchange against rivals in Europe

By Richard Lapper, Capital Markets Editor

Amsterdam, the home of one of the world's first derivetives trades, is set to strengthen its position as e centre of European equity options trading with the launch of the new options contracts on the Eurotop indices.

Options on tulip bulbs were traded in Amsterdam as long ago as the seventeenth century. But the market owes its prominence as a modern centre for derivatives trading to the enthusiasm of the Dutch, Belgian and German public for share options listed in Amsterdam by the European Options Exchange (EOE) eince 1977. More than 30 equity options, whicb cover the Amsterdam Exchange (AEX) and many big Dutch corporates, are now listed by the Amsterdam Exchanges, a body formed et the beginning of this year by the merger of the EOE, the Amsterdam Stock Exchange and e smaller agricultural commodities market.

In the first quarter of 1997, 2,098,532 option contrects were traded on the AEX index, the main index for the Dutch market.

That was up from 1,436,931 in the same period of 1996, while in March, some 7,901,375 individual stock options were traded oo the exchange.

More share options were traded on ABN Amro and ING Bank than on any other European share apart from the Union Bank of Switzerland.

According to World Equity, the specialist monthly publication, if measured by the amount of option premium turnover, the AEX is the largest equity options exchange in Europe and third largest in tbe world.

Premium turnover grew from $5,331,455 in 1995 to $11,179,270 in 1996. Premium turnover et Germany's Deutsche Terminbörse (DTB), the continent's second biggest equity options market, grew from $8,965,357 to $11,167,258 over the same period.

The exchange has been less successful with its Eurotop 100 options contract, originally launched in 1991, with trading levels reaching only ebout 20 contracts a day. But Mr George Möller, chief executive of the AEX, is confident that "retail order flow" will help launch the new version of the Eurotop 100 option.

He argues that the launch will be particularly beneficial for AEX in view of the fierce competition for bond and money market business between Europe's three biggest exchanges, the London International Financial Futures and Options Exchange (Liffe), the DTB and the Matif of France.

The battle for control of Europe's biggest contracts in this area is set to intensify following the introdnction of European monetary union, which will lead to rationalisation in bond and money markets and the disappearance of many contracts.

Indeed, Mr Möller is so confident of AEX's strength in the options business that he is seeking to persuade one of his bigger rivals to list futures contracts based on the new indices.

"We feel there is room for another exchange to be involved," says Mr Möller, who on Wednesday said that it was possible that either Liffe or the DTB could list the futures contract.

He said that this could help help build up volume.

New tools for derivatives specialists

By Richard Lapper

The greater accuracy of the new Eurotop 100 and 300 compared with existing benchmarks, and the liquidity of their component stocks, should make the new indices useful tools for derivetives specialists at investment banks.

Both the new indices more accurately reflect the performance of the market than existing smaller indices. The earlier version of the Eurotop 100 index, launched in 1991, is weighted to take into account the size of the economies of the countries in which constituent companies are based, as well as reflecting the market capitalisation of the stocks. By contrast, the new Eurotop indices more accurately reflect capitalisation of their component stocks. Dealers note that the FTSE's Eurotrack 100 and 200 indices are based on prices quoted on Seaq International, which are generally regarded as less eccurate than those qnoted on the local markets.

Mr Eric Shirbini, e quantitative strategist with Paribas, the French bank, says that returns from the larger Eurotop 300 correlate almost exactly with broader European indices, such as tbe FTSE Europe or Morgan Stanley Capital International Index, which reflect the performance of 727 and 568 shares, respectively. "It is an excellent proxy for Europe," he says.

"Since the Eurotop methodology was changed, it more closely matches the existing benchmarks," adds Mr Jag Bains, e portfolio trading specialist at Merrill Lynch, the US investment bank.

At the same time, because the Eurotop indices are composed of fewer – and more liquid – shares tban the larger indices, it sbould make the derivatives products based on the indices more useful as bedges.

Liquidity is important for derivatives dealers. In general terms, if there is insufficient liquidity in a market, price discrepancies will arise between a cash instrument and the derivative based on it, reducing the effectiveness of the derivative as e hedge.

Both Mr Shirbini and Mr Bains say, for example, that it will be easier than at present for banks to hedge positions based on the Eurotop indices through the futures markets, either by trading in existing stock index contracts or through Eurotop options contracts.

At the same time, banks that need to protect their exposure through operations in the cash markets using "delta hedging" will also find the new indices useful.

There are already signs of institutional interest in derivatives based on the new indices. Mr Shirbini, for example, reports that his firm has already received requests from US clients "who are either trying to gear up or protect themselves."

Mr George Möller, chief executive of the Amsterdam Exchanges (AEX), says that since the Eurotop 100 index was redesigned et the end of last year, the AEX have seen a big increase in interest from institutions thet want to use the index in savings products they will sell to retail customers.

Since January, seven licenses to use the index have been granted and five more applications have been received by the AEX, compared with only 15 in the previous six years.

Typically, guaranteed products are structured through the use of call options, which allow investors to lock in a return at a pre-determined level regardless of bow far the market falls.

Investment banks structuring this type of product for the retail sector could bedge their exposnre through exchange-traded or OTC options.

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COMPANIES AND FINANCE: INTERNATIONAL

Rising pulp prices raise hopes of end to 18-month downturn

UPM forecasts recovery

By Greg McIvor in Stockholm

UPM-Kymmene, Europe's largest forestry group, yesterday raised hopes of an end to the 18-month downturn in the sector, predicting that rising pulp prices and demand for paper would underpin a recovery during the rest of 1997.

Announcing a 10 per cent decline in first-quarter operating profits, Mr Juha Niemelä, chief executive of the Finnish group, said he foresaw "a good possibility" of a rebound in UPM-Kymmene's earnings this year.

"Pulp prices have changed their direction and are rising. That gives a real impact on product prices," he said.

The group's official forecast is for full-year pre-tax profits flat at last year's FM3.6bn level. However, Mr Niemelä said this was a cautious assessment and there was a good chance earnings would be higher.

UPM-Kymmene's first-quarter pre-tax profits slipped only marginally, from FM1.4bn to FM1.3bn ($253m), but were flattered by a FM763m gain from asset sales.

Stripping out non-recurring items, operating profits slid from FM1.8bn to FM1.1bn, a fall of 39 per cent, and reflected similar drops reported by other big Nordic producers.

Mr Niemelä said a recovery in both in long and short fibre pulp suggested an industry upturn as prices of paper and packaging grades followed behind.

He struck a bullish tone on pulp prices, predicting the increase in benchmark long fibre rates from $520 to $580 a tonne, announced this month by leading suppliers, would be fully implemented by early autumn.

Some in the industry have questioned whether the increase will stick because of pulp inventories, which are falling but are still above optimal levels.

Mr Niemelä emphasised paper stocks held by customers and distributors were about normal and that he saw room for increased European paper consumption this year, linked to higher economic growth in Europe.

Group turnover dropped from FM13.2bn to FM13.1bn, but earnings were higher in the first quarter compared with the final three months of last year.

Newsprint prices fell 15 per cent and prices of magazine papers – UPM-Kymmene's largest area of operations – averaged 20 per cent lower than the first quarter last year, it said. Sawn timber prices improved.

The group said demand for printing and writing papers would rise during the rest of the year and it planned to increase prices of lightweight coated magazine paper, a key grade, by 5-8 per cent in the second quarter.

The shares firmed FM0.10 to FM122.40 in Helsinki.

Merging from the bottom

Consolidation in German banking is being led by smaller groups

Consolidation in Europe's most overcrowded banking market moved up a gear with this week's announcement that Norddeutsche Landesbank and Bankgesellschaft Berlin (BGB), two large regional banks, are to step up merger talks with the aim of creating one of Germany's biggest banking groups.

Germany is one of the world's most over-banked countries, with around 1,500 inhabitants for each branch – nearly twice as many as in the US, UK and Japan. Narrowing margins and the increasing costs of new technology make consolidation appear inevitable.

There has already been much merger activity. Bundesbank figures show that between 1991 and 1996 the number of credit institutions shrank from 4,460 to 3,657.

However, most activity has been taking place among the country's smaller banks. The big commercial institutions – Deutsche Bank, Dresdner Bank and Commerzbank – have been the subject of speculation about ownership changes, but little has happened.

The revelation last year that Deutsche had acquired a 5.21 per cent stake in Bayerische Vereinsbank, the fourth-biggest commercial bank, has led analysts to draw up various possible alliances and mergers involving the Big Three and groups such as Allianz, the insurance giant, which has stakes in various banks.

The talks between BGB and NordLB seem to follow this trend. The two banks have combined assets of more than DM550bn ($294bn), and a merger would catapult them to the upper reaches of the German banking league.

But analysts do not see their merger as necessarily heralding consolidation among the country's biggest banks. Such mergers could be subject to political objections and public hostility arising from what is seen as the big banks' excessive power.

In any case, any NordLB-BGB merger would be motivated by factors other than pure rationalisation.

"It does not seem to be a cost-cutting effort, which is what has driven the big mergers we have seen elsewhere, such as in the US," says Mr Andreas Schmidt, analyst at BZW in Frankfurt.

Mr Schmidt points out that if the banks did merge, both their headquarters, in Berlin and Hanover, would be retained and they would keep two trading centres.

Another unusual aspect to the proposed merger is the high level of state involvement – both banks are in effect state-controlled. This means that options for cutting jobs may be blocked by politicians in Berlin and Lower Saxony.

But a merger between NordLB and BGB would be indicative of a trend at the less glamorous end of the market – the regional savings and co-operative banks.

A senior director of a commercial bank in Frankfurt said yesterday: "[The merger] is interesting in so far as makes very clear that it is in this area ... that restructuring is needed most."

It is these banks, which account for about 60 per cent of the retail market and employ two-thirds of those working in German banking, which are most exposed to cost pressures and the need to share the burden of new investment.

Consolidation among municipal savings and co-operative banks is already well under way. Between 1994 and 1996, the number of municipal savings banks fell from 643 to 607, while in the same period co-operative banks declined from 2,660 to 2,506

Consolidation among municipal savings and co-operative banks is already well under way. Between 1994 and 1996, the number of municipal savings banks fell from 643 to 607. In the same period the number of co-operative banks declined from 2,660 to 2,506.

But while the tidying up of the undergrowth in German banking speeds up, a shift among the industry's titans still seems a more distant prospect.

Frederick Stüdemann

Avesta tumbles to SKr124m loss

By Peter Marsh

Avesta Sheffield, one of the world's biggest makers of stainless steel, said yesterday it was cautiously optimistic about prospects for this year after unveiling a pre-tax loss of SKr124m ($16.3m) for the year to March 31.

The loss by the Stockholm-based group followed a pre-tax profit of SKr3.6bn in the previous year. The company said the current order intake was "strong" and prices were comfortably up on a year ago, although the longer-term trend "remains uncertain".

The company, which is 51 per cent-owned by British Steel and has production operations in the UK, Sweden and the US, blamed the fall in profits mainly on a steep decline in steel prices last year as demand for stainless steel softened late in 1995.

Other factors were a build-up in stocks by customers 18 months ago, which affected orders and the cost of delayed commissioning of new equipment. Sales for the year fell to SKr13.2bn, 21 per cent down on the SKr21.69bn in the previous 12 months.

For the last three months of the year, Avesta Sheffield made a SKr12m pre-tax profit, against SKr452m a year earlier.

The company is proposing a dividend of SKr1 for the year, compared with SKr2.4 previously. The loss per share after tax came to SKr0.08, compared with a profit of SKr15.57 in the previous year.

The company said that in the quarter to March 31 demand had been strong for most products, with demand for cold rolled products to the European market at the highest level ever. There had also been a strong rise in demand in the US. However, it remained worried that world stainless steel production capacity had barely fallen over the past year.

Nedcor advances 28% at halfway

By Mark Ashurst in Johannesburg

Nedcor, the South African banking group, yesterday announced a robust increase in interim profits in spite of volatile trading conditions and fierce competition in the corporate market.

Net income rose 28 per cent to R575m ($128m), helped by a strong contribution from its financial services subsidiaries, and particularly from UAL Merchant Bank, which increased net income 21 per cent.

Earnings per share were R2.61 in the six months to March 31, compared with R2.1 a year ago. The interim dividend was 56 cents a share, up from 45 cents.

The results were at the upper end of analysts' expectations. Mr Richard Laubscher, chief executive, said the improvement followed "a pretty tough six months".

He predicted the group would achieve its target of reducing expenses to 60 per cent of total income by the year-end. During the period, this ratio improved from 62.8 per cent to 61.9 per cent.

Non-interest income from core commission and fees was 20 per cent higher at R1.1bn, or 40 per cent of total revenue. Mr Laubscher aimed to increase this figure to 45 per cent, as non-interest income was "less sensitive to volatility and more inflation-hedged".

Market capitalisation surged from R13.1bn a year ago to R18.9bn, and total assets were 21 per cent higher at R90bn. Capital adequacy dipped 0.1 per cent to 10 per cent.

INTERNATIONAL NEWS DIGEST

First-quarter surge at Banco Mello

Banco Mello, Portugal's sixth-largest bank, lifted net consolidated profit to Es540m ($3.2m) in the first quarter of 1997, from Es77m in the same period last year. It attributed the six-fold increase – with first-quarter profit amounting to more than earnings for the whole of 1996 – to a restructuring aimed at focusing separate branch networks on different market segments. Earnings from fees and commissions rose 28.6 per cent to Es2.7bn. Cash flow increased 63.9 per cent to Es4.7bn. Total assets grew 2.7 per cent to Es1,172.4bn. *Peter Wise, Lisbon*

Nice strengthens US presence

Nice Systems, the Israeli digital recording and retrieval systems manufacturer, said yesterday it planned to buy Dees Communications, the Canadian group which provides solutions to voice, data and fax monitoring, to strengthen its presence in North American markets. The two companies have signed a letter of intent, under which Nice will pay $8m and up to 500,000 Nice shares, worth about $13.4m.

Last week, Nice reported a surge in first-quarter net income, from $640,000 to $2.2m. Earnings per share rose from 9 cents to 28 cents. "The growth in this quarter shows we are well positioned as a market leader in the voice logging market, especially in the financial institutions and air traffic control sectors," said Mr David Arzi, Nice chairman.

Compared with the fourth quarter last year, net profits in the first quarter rose a more modest 12 per cent and revenues were up 13 per cent. In a recent report, Salomon Brothers, the investment bank, predicted Nice would grow by an average of more than 50 per cent annually in the coming years. The company's shares are traded on Nasdaq. Nice recently won contracts with Chase Manhattan, the US bank, and the UK's *Halifax building* society. *Avi Machlis, Jerusalem*

NTT's Cegetel prospects fade

The prospects of Japan's Nippon Telegraph and Telephone taking a stake in Cegetel, the telecoms arm of France's Générale des Eaux, appeared to have receded. This followed the completion of agreements fixing the respective shareholdings in Cegetel of the French group's UK, German and US partners.

Under the terms of the agreements, Générale des Eaux itself will hold 44 per cent of Cegetel, with British Telecommunications taking 26 per cent, Mannesmann 15 per cent and the US's SBC, formerly SouthWestern Bell, 15 per cent. Générale des Eaux is trying to develop Cegetel as the main domestic rival to France Telecom.

Cegetel said yesterday it was still in talks with NTT on areas of possible commercial co-operation, but that it was now unlikely the Japanese group would take a participation in its capital. *David Owen, Paris*

Nafta Polska shortlists five

Nafta Polska, the state-owned holding company which controls Poland's oil refineries and half the country's petrol stations, has shortlisted five investment banks as potential advisers for the sale of the sector next year.

The shortlisted bidders are Credit Suisse First Boston, Dresdner Kleinwort Benson, Goldman Sachs, Salomon Brothers and Schroders. A final choice is expected in the middle of next month. *Christopher Bobinski, Warsaw*

Dillon Read acquisition provides a strong platform from which to launch assault on US market

SBC wins place on Wall St

By Tracy Corrigan in New York and George Graham in London

It has long been a truism in investmant banking that if you want to be a player on a global scale, you have to be a player in the US, by far the world's biggest investment banking market.

SBC Warburg'e deal to buy Dillon Read, the Wall Street hank, is the latest move by e European bank to claim a place in the US game.

It has not been an easy task for the Europeans, who could scarcely take on Wall Street giants such as Merrill Lynch or Goldman Sachs on their own, but were for the most part prevented by US banking laws from acquiring an existing US investment bank.

Only Credit Suisse, which by a quirk of history was allowed to take control of First Boston, could claim a seat at Wall Street's top table.

However, the erosion of US rules against mixing commercial and investment banking enabled Bankers Trust to acquire Alex. Brown, the Baltimore-based investmant bank, and has now made possible SBC Warburg'e deal with Dillon Read.

National Westminster Bank has followed a similar approach, adding Gleacher, a mergers and ecquisitions boutique, and Greenwich Capital, the primary bond dealer and debt specialist, to its existing equity trading and capital markets activities in the US.

Other European investment banks have decided against the acquisition route, instead trying to build businesses by recruitment and organic growth that can take on the Wall Street giants directly.

But this may not come much cheaper than acquisition. Rival investment banks estimate that Deutsche Morgan Grenfell, the investment banking subsidiary of Deutsche Bank, has spent close to $700m on salaries in New York – more than the cost of Dillon Read.

Union Bank of Switzerland, too, has spent heavily on recruitment in the US.

Other European banks are meanwhile concentrating on strategic expansion on their own side of the Atlantic.

The sale of Dillon Read, however, could concentrate minds, since so few other significant acquisition targets remain in the US.

"Dillon Read is certainly one of e limited number of pre-packaged entrees into the US investment banking market," said Mr John Leonard, London banking analyst at Salomon Brothers, the US-based investment bank.

The acquisition gives SBC a strong platform from which to launch its assault on the US market, rather than a ticket to the big league. Unlike Warburg, SBC's UK acquisition, Dillon Read is not a top firm in the US market.

But Mr David Solo, chief operating officer of SBC Warburg who with Mr Hans de Gier, SBC Warburg executive chairman, negotiated the deal, said: "You do not have to be a top five firm in the US to be one of the top three global investment banks".

Mr John Birkelund, Dillon Read's chairman, found the strategic fit of the two businesses compelling. "They heve nothing in the US other than a very powerful derivatives business."

As well as mergers and acquisition strength, Dillon Read "has a position in equity here with a growing research department, we have an equity issuing business. We are not at the top of the league tables but we are growing."

The remaining question is: did SBC overpay?

The $600m price works out at three times book value.

Fergus Wilde

David Solo: 'yon do not have to be a top five firm in the US to be one of the top three global investment banks'

Mr Birkelund said the maths was simple: $400m for the franchise and $200m for the book value.

Certainly, with relatively few available targets, prices are escalating, aven though many think small firms will come under increasing pressure to sell.

Failure of ING deal 'not related to price'

By Tracy Corrigan in New York and Gordon Cramb in Amsterdam

The failure of Dillon Read's talks with ING and its willingness to embrace SBC Warburg were based on the US investment bank's belief that its staff would benefit from a stronger position within the Swiss bank's corporate structure.

Dillon Read had been in discnssions witb ING since last year, according to Mr John Birkelund, Dillon Read chairman, while SBC only approached it in late March.

ING "wanted to increase their ownership interest", Mr Birkelund said. But Dillon Read management "could never quite reach an understanding of bow the organisation would work". The decision to turn away ING was not related to price, he added.

In particular, Dillon Read management was not told bow senior Dillon managers would fit into a new structure. "They didn't make that clear," said Mr Birkelund.

He eaid management had decided before SBC approached Dillon Read in March to buy back the 25 per cent stake already held by ING – it had until July 1 to do so – rather than be bongbt by ING.

ING had been willing to preserve the Dillon Read name, bnt any agreement allowing it to lift its 25 per cent holding to majority control would have required Dillon Read to be managed as part of ING Barings, which already has 1,200 staff in the US.

Under the SBC plan, senior Dillon Read staff will have leading roles. In contrast to the ING negotiations, these details were "presented at the first meeting that I had with [SBC] in late March," said Mr Birkelund.

ING songht to play down the loss of Dillon Read. "It was not our top strategic priority," it said.

Bnt the gronp's latest annual report notes: "ING Barings had in its worldwide activities in 1996 great benefit from the close co-operation with the American investment bank Dillon Read & Co." That is now et an end.

Aegon increases forecast after 23.9% advance

By Gordon Cramb in Amsterdam

Aegon, the Dutch insurance group, yesterday increased its full-year forecast after announcing a 23.9 per cent jump in first quarter net profits to Fl 403.4m ($212m).

Mr Kees Storm, chairman, said: "Lifa insurance and pension markets are on the move all over the world. Deregulation and privatisation are not just subject to discussion any more, but changes are actually taking place now.

"Every provider is trying to get a larger sbare of the market, of course, while at tbe same time consumers demand more value for money and more flexibility," he added.

The company is forecasting net earnings growth of at least 15 per cent from the Fl 1.57bn achieved for 1996. When it released that result in late March, Aegon said it expected a 10 to 12 per cent improvement this year. Yesterday it said: "The higher than anticipated first quarter results made us decide to raise the bar."

The projections exclude any contribution from the insurance activities of tbe Kentucky-based Providian, for which it agreed last December to pay $3.5bn – the biggest transaction yet seen in the US life business. Aegon said the takeover, not yet finalised, would have a further positive impect on earnings.

Profits in tbe three months to March reflected 17.9 per cent autonomous growth, enhanced by currency movements as well as previous acquisitions. Premium income at Fl 5.45bn was 13.6 per cent ahead, which in spite of buoyant equity markets outpaced a 12.9 per cent rise in investment income to Fl 1.78bn.

Revenues rose 13.4 per cent compared with a year earlier to Fl 7.59bn, and assets were up 7.6 per cent from December to stand at Fl 197bn.

The group has cbanged the reporting method for its divisional and regional units to show profits before interest cbarges, seying this improved transparency. Operating income from the Netherlands was Fl 333m in the period, up by more than a quarter from a restated Fl 259m. The Americas brought in Fl 188m against Fl 158m.

Profits from the UK rose from Fl 33m to Fl 46m, which reflected a favourable claims experience as well as its entitlement to 90 per cent (up from 80 per cent) of the profits of Edinburgh-based Scottish Equitable. Net earnings per ehare totalled Fl 1.52 compared with Fl 1.24. Aegon ebares closed up Fl 2.10 et Fl 143.70.

Portugal sets EdP price range

By Peter Wise in Lisbon

Portugal yesterday set a price range of Es1,750-Es2,250 a ahare for a global offer of Electricidade de Portugal, valuing the national power utility at Es1,050bn-Es1,350bn ($7.9bn).

The Socialist government will set the final price within this range on June 16, wben the offer of 25-30 per cent of the EdP, which is Portugal's biggest privatisation to date, will be concluded at a special session of the Lisbon stock exchange.

EdP, currently 100 per cent state-owned, will become Portugal's biggest listed company and is forecast to account for about 8 per cent of Lisbon's total stock market capitalisation by the end of the year.

The price range is at the lower end of three independent valuations carried out by international consortia; the highest was Es1,700bn.

Demand for the offer is already strong, particularly among small savers, wbo are being offered e 6 per cent discount on the offer price and one bonus share for every 25 they buy and hold for one year.

Pre-registration for tbe retail offer begins on Monday. More than Es100bn is calculated to beve been deposited in accounts set up by banks for small savers wbo want to invest in EdP.

EUROPEAN NEWS DIGEST

Bank Austria woos investors

Mr Gerhard Randa, Bank Austria chairman, yesterday launched a campaign to encourage investor support for a Sch3bn ($250m) rights issue by forecasting a doubling of earnings per share over the next five years. He also promised a 50 per cent increase in return on eqnity, from 8 per cent to 12 per cent.

The head of Austria's largest bank, which acquired 70 per cent of Creditanstalt for Sch17bn from the government at the beginning of the year, also reported an 18 per cent increase in group operating earnings to Sch4.6bn for the first four months of the year. He also predicted higher operating and net profit for the full year.

Bank Austria'e top management will start a European roadshow next Monday, ahead of the placement of non-voting preferred shares scheduled for June. The bank plans another capital increase in the autumn, when it will swap Creditanstalt minority shares against its own stock. The government is also planning a public offering of its 19 per cent voting stake in Bank Austria.

Most analysts welcome Bank Austria's takeover of Creditanstalt, but some have questioned its ability to integrate the two banks. As part of a political deal, Mr Randa pledged to keep the two banks formally separate for five years, but he moved quickly to replace Creditanstalt's top management and merge foreign investment banking and some back-office operations.

For 1996, Bank Austria reported a 28 per cent drop in pre-tax earnings from Sch2.98bn to Sch2.13bn, blaming extraordinary earnings in 1995. In contrast, Creditanstalt had a strong year, with net income climbing 20 per cent from Sch2.17bn to Sch2.6bn. *Eric Frey, Vienna*

BASF rises to DM1.16bn

BASF, the German chemicals group, recorded pre-tax profits of DM1.16bn ($682m) in the first quarter of this year, 3.8 per cent higher than the same period last year. Sales rose 13.6 per cent to DM13.4bn.

The group said it expected continued strength in sales and earnings. "Orders received and in hand confirm these growth prospects. We are aiming to increase group sales to over DM50bn in 1997 and to exceed last year's results," it said. In 1996, net profit rose 13 per cent to DM2.8bn on sales up 5.5 per cent et DM49bn.

Mr Jürgen Strube, chairman, told the group's annual shareholders meeting: "In 1997 we will again show our shareholders that BASF has become more agile, quicker, and more profitable." *Graham Bowley, Frankfurt*

Autostrade sale advances

SBC Warburg and Banca Commerciale Italiana have been chosen by Iri, the Italian state holding company, as joint global co-ordinators for the privatisation of Autostrade, the operator of toll highways controlled by Iri. The motorway company, with 1996 group revenues of L3,254bn ($1.9bn), is scheduled to be privatised this year. BCI will lead the share placement on the Italian market, while SBC Warburg will co-ordinate the international tranche. *Paul Betts, Milan*

BMW advances 17.4%

BMW, the German carmaker, yesterday reported a 17.4 per cent increase in sales to DM24.3bn ($14.3bn) in the first five months of the year, and outlined a confident prospect for Rover, its UK subsidiary. Group deliveries rose 7.6 per cent to 497,000 cars, compared with the same period the previous year. At BMW, deliveries rose 10.5 per cent to 288,000; Rover was 3.9 per cent ahead at 209,000. Mr Bernd Pischetsrieder, group chairman, said: "The Rover Group will build up its market position on the international car market through new models and the development of its marketing organisation." *Graham Bowley, Frankfurt*

Acquisitions help lift CSM

CSM, the Dutch foods group, improved net profits 8.1 per cent to Fl 101.1m ($52.8m) in the six months to March. Sales were up 11.1 per cent to Fl 1.61bn, with more than half the increase stemming from acquisitions. The next six months were expected to produce a further rise in profits, the company said yesterday.

Revenues from sugar, its traditional core business, dipped slightly, but operating earnings were firmer. Its ingredients division showed strong growth, in part as a result of an expansion in US baking products. In CSM's other food activities, earnings rose elightly as it acquired Malaco, e Scandinavian confectionery producer, but sold its Droste chocolate and cocoa business. *Gordon Cramb, Amsterdam*

Mol offer oversubscribed

The secondary domestic offering of almost 4m shares – a 4 per cent stake – in Mol, the Hungarian oil and gas company, has been heavily oversubscribed. The 2 per cent stake allocated to "institutional" investors – those applying for 500 shares or more – was 44 times oversubscribed. The 2 per cent stake allocated to individual retail investors was three times oversubscribed. The shares were priced at Ft 2,970, and the domestic offer raised about $65m. *Kester Eddy, Budapest*

INTERNATIONAL NEWS DIGEST

Royal Oak to mothball mines

Royal Oak Mines, the North American gold producer, intends to suspend operations at some high-cost mines to conserve cash. Analysts have warned for some time that the clouded outlook for gold, now hovering around $340-$350 an ounce, has raised the prospect of mine closures and consolidation among high-cost producers. Other North American producers vulnerable to low prices include Echo Bay Mines and Pegasus Gold. Echo Bay has shelved plans for a US$300m project in Alaska. Toronto-based TVX Gold recently closed its 60 per cent-owned Casa Berardi mine in Quebec.

Royal Oak reported a first-quarter loss of C$8.1m (US$5.84m), or 6 cents a share, against earnings of C$1.4m, or one cent, a year earlier. Negative cash flow rose from C$3.7m to C$66.3m. Mr Dave Thomas, analyst at Griffiths McBurney in Toronto, said: "Royal Oak has got an impressive record of making money, and this is a real blow."

Ms Margaret Witte, Royal Oak's chief executive, made her mark by buying several high-cost operations in Newfoundland and Canada's Northwest Territories in the early 1990s at firesale prices. "They were banking on higher gold prices," Mr Thomas said.

Royal Oak's total output climbed from 195,000 ounces in 1991 to 389,000 last year. But cash costs, which exclude depreciation, rose to $372 an ounce in the first quarter from $348 a year earlier, and $327 in 1991. Due to hedging, Royal Oak received an average price of $411 an ounce. However, the company is anxious to improve cash flow to help finance construction of a number of lower-cost projects, notably the C$390m Kemess mine in British Columbia.

Royal Oak said it would focus on successful completion of Kemess and on operating its lower-cost mines to maximise cash flow. It intends to suspend operations that cannot generate cash at prices of $350 an ounce.

The Hope Brook mine in Newfoundland is due to close this year. Other properties with an uncertain future include the Colomac mine in the Northwest Territories, which Royal Oak bought and modernised in 1993.

In another cash-saving measure, construction of the Matachewan project in Ontario has been pushed back by six months. Production is now scheduled to start in mid-1999. Shares of high-cost producers have fallen sharply in recent months, with Royal Oak trading at C$3.90 in Toronto early yesterday, down from a 52-week peak of C$6.10.

Bernard Simon, Toronto

Indonesia mines official sacked

President Suharto of Indonesia has ordered the removal of a senior official in the country's department of mines and energy following the scandal surrounding the Busang field in east Kalimantan, falsely claimed be the world's largest gold deposit. Indonesia's minister of mines and energy, Mr Ida Bagus Sudjana, said Mr Umar Said, the secretary general for mines and energy, would be replaced by the chief of the state-owned mining company Aneka Tambang, Mr Darmoko Slamet. However, he denied the replacement was related to the Busang gold hoax. "It's usual," he said.

Mr Said is understood to have played an important role in the Busang affair earlier this year when international mining companies linked up with members of President Suharto's family in a drawn out and highly political tussle for control of the Busang field.

His dismissal is the second shake-up within the mines and energy department after Mr Kuntoro Mangkusubroto was replaced as director general of mining in March. Mr Kuntoro was responsible for awarding exploration and mining permits. Mining executives privately cast doubt on official claims that Mr Kuntoro's dismissal was not related to the ownership struggle for Busang.

Manuela Saragosa, Jakarta

The Bre-X scandal, Page 8

Delgratia sued for 'false' claim

A class-action suit has been filed against a second Canadian exploration company for allegedly making false and misleading statements about gold reserves at one of its properties. The legal action against Delgratia Mining comes just weeks after court proceedings began against Bre-X Minerals, the Canadian exploration company whose claims to have found the world's largest gold mine were recently proved false. It could become a test case to determine what investors can reasonably be expected to assume from comments made by venture capital mining executives. The suit claims that Delgratia misled shareholders by stating in a Bloomberg interview that its Josh property in Nevada contained 5m ounces of gold.

However, Delgratia said it had never made claims about the site's reserves, but that a company official had told the Bloomberg reporter the site had the "potential for" 5m ounces of gold. Analysts pointed out that language common to the mining industry could easily be misinterpreted by inexperienced investors and observers. "There's a lot of misrepresentation out there," said one. Delgratia shares plunged 77 per cent after a Nevada mining official questioned the figure in late March.

Analysts are worried the case could further damage the Canadian mining industry, which suffered a blow when Bre-X's Busang deposit was exposed as the largest mining hoax ever. Delgratia, dismissing the lawsuit as "frivolous" and "shallow", said it stood by its official comments about the site's potential. It suggested thet the Bre-X scandal and ensuing lawsuits had prompted Delgratia investors to pursue legal action. "It's a very harsh environment for junior mining companies right now. You're guilty until proven innocent," it said.

Scott Morrison, Vancouver

Shareholders spurn Sallie Mae

Sallie Mae, the US government-backed institution which finances student loans, failed to win shareholder support yesterday for its plan on how the organisation should be privatised. Coming less than a week after a rival plan from a group of dissident directors also failed to attract sufficient backing, the development leaves the future of one of the largest US financial institutions finely balanced.

The company's board, under Mr Lawrence Hough, chief executive, needs a majority of shareholders to vote for its plan before it can proceed. Under legislation passed last year, shareholder support is a necessary step in the process of surrendering the Federal guarantee behind the institution, whose official name is the Student Loans and Marketing Association.

A special shareholder meeting yesterday was adjourned after it emerged that management's plan had received support from only about 40 per cent of shareholders. That is similar to the level of support for the alternative privatisation plan, which was presented last week at a rival shareholders meeting called by eight dissident directors.

Commenting on yesterday's inconclusive vote, Mr Hough said: "It's clear that the majority of our shareholders want privatisation, but many of them have concerns about board control and board representation." He added that the company would try to modify its proposals to reflect these concerns, and would reconvene the meeting on 5 June for a new vote.

Mr Hough's comments suggested that it is the organisation's proposed board structure, rather than its business plan, which has caused its investors to withhold their support. The company's own business plan would leave Sallie Mae largely unchanged, engaged mainly in refinancing student loans which have been originated by other lenders. Mr Lord's rival plan would involve the company in originating its own loans, a move that would put it into direct competition with the banks.

Richard Waters, New York

Economic growth yet to benefit retailers

By Richard Tomkins in New York

First-quarter results from the big US store groups show that the retail sector, burdened by overcapacity, is still struggling to benefit from increases in consumer spending brought by growth in the US economy.

On the plus side, most retailers managed to do a better job of matching supplies of goods with customer demand, so avoiding the severe mark-downs that have characterised their performance so often in the past.

But the mixed results saw some retailers blaming that reliable stand-by, the weather, for weak profits. An unusually cold and wet spring, they said, had discouraged people from buying clothes made for warmer weather – or indeed, from venturing out to the stores at all.

According to figures from the Commerce Department, the first quarter should have looked good for US store groups. Retail sales rose in the first two months of the year – by 1.5 per cent in January and by the same again in February.

But for most US retailers, the first quarter spans a period from the beginning of February to the end of April: and figures from the Commerce Department this week showed that retail spending took a breather during most of this period, showing zero growth in March and falling by a provisional 0.3 per cent in April.

This left many retailers struggling to do well in what is traditionally their weakest quarter of the year. Two of the few that bucked the trend were Wal-Mart Stores, the discount store chain, and Sears Roebuck, the department store group. Wal-Mart, continuing its remorseless expansion, increased net profits by 14 per cent to $652m thanks to a big sales increase. Sears Roebuck turned in the latest in a long series of strong results with a 20 per cent increase in net profits to $182m.

US retailers - first-quarter results

Company	Sales ($bn) 1997	Sales ($bn) 1996	% chg	Profit* ($m) 1997	Profit* ($m) 1996	% chg
Wal-Mart Stores	25.4	22.8	+12	652	571	+14
Sears Roebuck	8.8	8.0	+10	182	151	+20
Kmart	7.3	7.0	+4	14	(36)	n/m
JC Penney	6.7	4.6	+44	139	142	-2
Fed Dept Stores	3.4	3.3	+3	24	(38)	n/m
May Dept Stores	2.6	2.4	+8	94	98	-4
Gap	1.2	1.1	+11	84	82	+3
Woolworth	1.8	1.8	-3	1	(22)	n/m

*Note: figures exclude discontinued operations. *ie, Net profit, figures in brackets indicate loss*
Source: company reports

Kmart, the second biggest US discount store chain, built on its recent recovery from a long period of very poor results. The company has been converting its stores to a new format called Big Mart, and yesterday reported net profits of $14m, an improvement over its losses of $36m a year earlier.

Another company recovering from severe difficulties is Woolworth, which earlier this week edged into net profits of $1m after the previous year's losses of $22m.

Sales fell because the company eliminated 550 stores as part of its rationalisation plan.

Elsewhere, J.C. Penney and May Department Stores turned in bland performances, blaming weak demand and mark-downs.

However, Federated Department Stores, owner of the Bloomingdale's and Macy's chains, continued to recover from the cost of absorbing recent acquisitions.

Gap, the clothing chain, illustrated the troubles facing clothing retailers when it reported a profit increase of just 3 per cent to $84m.

Sales at stores that had been open a year or more fell by 3 per cent, but new store openings helped compensate.

One sector that continued to do well was luxury goods, continuing from strong growth in tourism and soaring Wall Street profits.

Tiffany, the jeweller, increased net profits by 75 per cent to $8.9m.

Floyd Hall: Kmart chief reported return to black

Dow Chemical buys out partner for $1.2bn

By Laurie Morse in Chicago

Dow Chemical, of the US, agreed to buy Eli Lilly's interest in their eight-year-old agricultural products joint venture, DowElanco, in a transaction valued at $1.2bn. The move further consolidates the global agricultural chemicals industry, and gives Dow Chemical a dominant position in crop insecticides.

The transaction, which comprises $900m in cash and $300m in undistributed joint-venture profits to Lilly, is expected to close at the end of the second quarter. It is likely to result in an after-tax gain of $310m to $340m for Lilly, or between 56 cents and 62 cents a share. Mr Randall Tobias, Lilly's chairman, said the company would use the majority of the proceeds for near-term debt reduction.

Lilly said that its original contribution to DowElanco was valued at $230m, giving the company a 25 per cent after-tax return from the investment. A Lilly spokesman said terms of the joint venture had established a $900m cap on its interest in the project, and that current market valuations had made it a prudent time for Lilly to sell.

Indianapolis-based DowElanco, in which Dow had held a 60 per cent interest, was formed in 1989 by combining the plant sciences businesses of both parent companies, as well as Dow's speciality pest management business. With $2bn in annual sales, it is one of the world's largest research-based agricultural companies.

It is the research and development assets of the unit that most interest Dow, particularly DowElanco's majority ownership of California-based Mycogen Corporation, a plant research boutique that holds important patents on the technology that engineers seeds for crops to resist insects.

"We view the agricultural products business as an engine for growth, which will be accelerated by DowElanco's increased commitment to agricultural biotechnology. This acquisition is part of our value growth strategy to increase investment in performance businesses," said Mr William Stavropoulos, Dow chief executive.

Mr James Wilbur, a chemicals industry analyst at Smith Barney in New York, said the move was a strategic one for Dow. "Biotechnology is transfering the functionality of killing bugs from chemicals or pesticides over to the seeds themselves."

Mr Wilbur said thet commodity chemicals' growth prospects were sluggish, and that biotech solutions could only take business away from traditional agricultural chemical products.

NAB fends off takeover approaches

By Nikki Tait in Melbourne

National Australia Bank, the country's largest commercial bank, is fending off approaches from foreign banks following the federal government's decision to lift the ban on foreign takeovers of Australia's big four banks.

Mr Don Argus, NAB managing director, said there had been calls from "friendly merchant bankers in the northern hemisphere", suggesting that NAB could be a target. While admitting to feeling vulnerable, Mr Argus stressed: "I've got the 'not welcome' sign up".

He was speaking after NAB reported a 14.1 per cent increase in interim profits to A$1.14bn (US$890m) after tax. The result, for the six months to end-March, came after a reduced charge for bad and doubtful debts, from A$162m to A$105m. The bank said underlying profits were 10.9 per cent higher at A$1.85bn.

Basic earnings per share rose 10.7 per cent to 76.8 cents, and the return on shareholders' funds increased from 16.9 per cent to 17.2 per cent.

The result reflected a small profits improvement in the Australian operations, and much larger gains from NAB's overseas operations in the UK, New Zealand and the US. Non-interest income was also up strongly, by 14.6 per cent at A$1.61bn.

But Mr Argus sounded a cautious note about the second half. He said tha outcome would be influenced by the extent to which business and consumer confidence picked up in Australia.

NAB's net interest margin fell from 4 per cent to 3.6 per cent, while net interest income increased 3.6 per cent to A$2.59bn. The cost to income ratio, meanwhile, was 54.2 per cent, compared with 55.5 per cent a year ago. Mr Argus added that his target was still to get to 40 per cent by the end of the century.

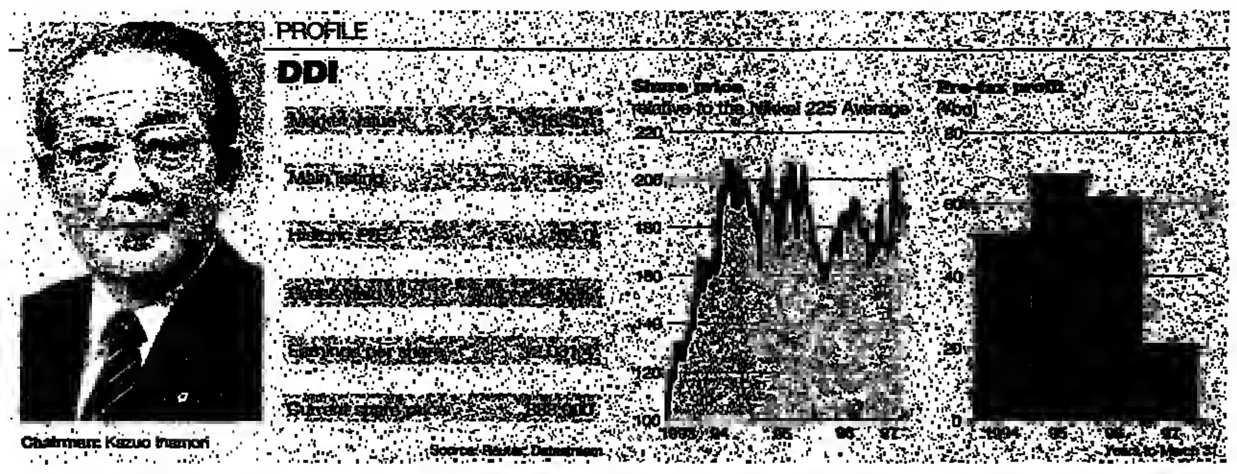
The core Australian business posted a 1.4 per cent rise in after-tax profit to A$721m. The net interest margin fell from 3.9 per cent to 3.3 per cent, but there was a "strong increase" in lending volumes. Mr Argus denied that NAB was taking on lower-quality business, although he admitted that "some fragility" was beginning to surface in the lending market overall, among both consumers and small businesses.

The UK and Irish operations – which take in Clydesdale, Northern, Yorkshire and National Irish banks – contributed a sharply-improved A$215m, against A$161m. This was partly due to reduced bad and doubtful debt charges at Northern and Yorkshire, cost controls at Clydesdale and Yorkshire, and good growth in term lending at Northern.

● Bank of New Zealand profits rose 31.3 per cent to A$172m, writes Terry Hall in Wellington. Mr Gordon Wheaton, managing director, said funds invested in unit trusts rose 82 per cent while pension sales were up 50 per cent. In the US, Michigan National made A$92m, compared with A$89m in a five-month period last time.

Expansion costs put DDI into loss

By Michiyo Nakamoto in Tokyo



Chairman: Kazuo Inamori

DDI, the Japanese long-distance and cellular phone company, fell into a net loss last year as a result of high capital spending and incentive costs associated with the start of its Personal Handyphone System businesses.

The company reported a consolidated net loss of Y26.2bn ($221m), compared witb a profit of Y4.3bn a year earlier. Pre-tax profits fell 65 per cent, from Y61.8bn to Y21.4bn.

However, substantial growth in Japan's cellular phone market, which bas been spurred by falling handset prices, lower rates and a greater variety of services, supported a 52 per cent increase in consolidated sales, from Y669.6bn to Y1,016.4bn.

DDI's core long-distance business was affected by discounts for volume-use customers and falling rates.

The Japanese cellnlar phone market is the fastest growing among large economies. Total subscribers doubled in 1996 to 20.88m, while the penetration rate climbed from 8.2 per cent to 16.7 per cent, according to Mr Andrew Haskins, indnstry analyst at HSBC James Capel in Tokyo.

DDI saw subscriptions rise 74.8 per cent, to 3.4m units, at its eight consolidated cellular phone companies in Japan.

PHS, which is a lower-cost form of cellular service offered hy DDI but with a more restricted network, has also seen rapid growth. Subscriptions for the service more than tripled last year, to 2.9m, although fierce competition has put pressure on profits.

DDI has also been investing substantial amounts in infrastructure: capital spending at its eight cellular pbone companies was Y197.5bn last year.

DDI expects profitability to improve this year as its cellular and PHS businesses expand.

The company forecasts a 19 per cent increase in consolidatad revenues, to Y557.8bn, and a 17 per cent rise in pre-tax profits to Y67.8bn.

Net profits are expected to be Y37.8bn.

Weak market hits Japan's developers

By Gwen Robinson in Tokyo

Continuing inertia in Japan's property market and weak sbare prices drove down 1996 earnings at some of tbe country's leading property developers.

The poor results highlight the weak impact of government efforts last year to revitalise the property market, and the losses inflicted by tbe stock market's decline on large developers' equity portfolios.

However, most expect conditions to improve this year, reflecting a growing consensus that property prices are bottoming out and property companies are making progress in dealing with non-performing assets and debt burdens.

Mitsubishi Estate, Japan's second-largest developer, said unconsolidated recurring profit fell 44 per cent to Y16.3bn ($137m), although after-tax profit soared to Y37.3bn on the sale of a Tokyo office building during the year. In the previous year, the company suffered an after-tax loss of Y121.3bn. Overall sales, however, were flat at Y401.9bn. Operating profit fell 28 per cent to Y52.5bn. Mitsubishi Estate expects after-tax profits this year to fall 54 per cent to Y17bn, while recurring profit is projected to increase 4.2 per cent to Y17bn.

Sumitomo Realty and Development, tbe third-largest developer, announced that unconsolidated recurring profit for the year plunged 76 per cent to Y1.15bn, mainly because of losses in equity holdings.

Sales fell 8.8 per cent to Y223.8bn on the continuing decline in land prices. After-tax profit fell 64.4 per cent to Y1.06bn, or Y2.60 a share, compared with Y7.31 the previous year. For the year to Marcb, Sumitomo Realty expects earnings to recover, witb unconsolidated recurring profit projected to rise to Y6.0bn and after-tax profit to Y4.5bn, or Y11.06 per share, on projected sales of Y250bn.

Tokyu Land Corporation, another leading developer, yesterday reported a recurring loss of Y4.8bn for the third consecutive term – mainly because of the accelerated disposal of non-performing assets and financial assistance to a troubled subsidiary. The operating profit for the year was Y4.4bn, compared with a loss of Y3.6bn, on flat sales of Y264.2bn. However, an extraordinary loss related to its bail-out of the subsidiary caused an after-tax loss of Y7.9bn.

For the current year, Tokyu Land expects recurring profits and after-tax profits of Y1bn each. Sales are projected to rise 8 per cent to a record Y285bn, on expected growth in the condominium market and resort facility memberships. The company hopes to complete disposal of non-performing assets by writing off losses worth Y12bn, which will lower interest-bearing debt.

Fletcher Challenge ends trust scheme

By Terry Hall in Wellington

Fletcher Challenge, the New Zealand resource group, is to dismantle its controversial employee unit trust scheme.

The schame had been widely seen as a protective measure against takeovers of its building, energy, forests and paper divisions, which are separately listed on many international stock exchanges. It had long been a source of contention with investors, who claimed it depressed the value of the shares.

Mr Ian Donald, chief financial officer, said shareholders would welcome the change. The trust "presented an overhang of shares that would one day hit the market", he said. "The arrangement will simplify the group's financial structure and balance sheet, and should deliver increased value to shareholders."

The group said it had reached agreement with the trustees of the Fletcher Challenge Employee Unit Trust to reorganise the trust and its funding arrangements. The agreement, which came into force yesterday, reduced the trust's stake in Fletcher Challenge from 11.7 per cent to 2.7 per cent. It also repaid funding provided by the trust to Fletcher Challenge.

The trust's shareholdings will be acquired at current market prices and will be redesignated as Treasury Stock with no dividend or voting rights. The assets will be held across the four divisions.

ASIA-PACIFIC NEWS DIGEST

Toray Industries advances 28%

Toray Industries, Japan's leading producer of synthetic fibres, yesterday reported a 28 per cent increase in consolidated net profits for the year to March, the second annual rise after six years of decline. The group attributed its performance to the gradual recovery of the Japanese economy, cost cuts and the fruits of earlier investment in production efficiency. However, it forecast slightly slower profits and sales growth in the current year.

Toray lifted group sales 11.2 per cent to Y1,045bn ($8.83bn) last year, on which net profits rose from Y18.2bn to Y23.3bn, increasing net margins from 1.9 per cent to 2.2 per cent. Pre-tax profits rose 37.9 per cent to Y56.3bn. Sales of fibres and textiles, Toray'a biggest division, rose 10.1 per cent to Y466.3bn, helped hy relatively firm demand at home and abroad. Plastics and chemicals sales, the second largest division, rose 10.8 per cent to Y281.8bn, helped by an increased contribution from the US and Malaysian subsidiaries, as well as a first contribution from Toray Plastics Europe, formerly the plastic film subsidiary of Rhône-Poulenc, the French chemicals group.

For the year to next March, Toray forecasts a 16 per cent increase in group net profit to Y27bn, on turnover up by 7 per cent to Y1,120bn. *William Dawkins, Tokyo*

Banks in 'national car' loan

Two publicly listed Indonesian banks, Bank Danamon and Bank Niaga, have been named as members of a consortium which has been instructed by the government to extend a US$690m syndicated loan to the country's controversial "national" carmaker, controlled by President Suharto's youngest son, Mr Hutomo Mandala Putra.

However, the loan is only half of what Timor Putra Nasional, the "national" car producer, originally applied for. Mr Saleh Affiff, the co-ordinating minister for economy, was quoted yesterday as saying thet the size of the loan was cut because the government "doubted" the company would be able to meet its ambitious sales targets.

Mr Hutomo said the consortium would be led by state-owned Bank Dagang Nasional Indonesia and that other members would include state-owned Bank Umum Nasional and Bank Central Asia. He said the loan would have a five-year maturity and be extended at market rates. Cash raised will be used to finance the company's planned production facilities, due to come on stream in August 1998 with a planned capacity of 40,000 units a year. *Manuela Saragosa, Jakarta*

Sony buys advertising agency

Sony, the consumer electronics and entertainment group, yesterday said it had acquired Tokyu Agency International, a medium-sized advertising company which has already done business for Sony.

Sony increased its stake in TAI from 12.5 per cent to 94 per cent following discussions between Sony and the Tokyu group of companies, which jointly owned 51 per cent of the advertising agency's shares. Sony denied it intended to bring its entire advertising contracts, worth hundreds of billions of yen, to the agency, which has been re-named Intervision. *Michiyo Nakamoto, Tokyo*

Santos sees improvement

Santos, the Australian oil and gas company, said yesterday that it expected "slightly enhanced" profits in 1997, as a result of the acquisition of the East Spar assets from WMC, the Melbourne-based mining group. However, the recent rights issue would probably have "a modestly dilutive effect" on earnings per share. Mr John Uhrig, chairman, told shareholders at yesterday's annual meeting that before the East Spar deal, Santos had expected prodnction volumes to be similar to last year's level, and profit after tax to be "comparable" with the A$195.6m (US$163m) reported in 1996. *Nikki Tait, Sydney*

Founder of health centre group sold to Zeneca for $450m plans rival venture in US and Europe

Salick seeks $300m for new clinic chain

By Daniel Green

Dr Bernard Salick, the colourful US entrepreneur who left UK drugs company Zeneca in acrimonious circumstances last month, is attempting to raise up to $300m to compete with his former employer.

Dr Salick sold his Salick Health Care chain of cancer and kidney dialysis clinics to Zeneca for $450m in April. But he refused to accept demotion from chief executiva to "chairman emeritus" of the Zeneca subsidiary and left the company abruptly.

He is putting $10m-$20m of his own money into a new venture, Bentley Health Care, to establish chains of both cancer and Aids/HIV clinics.

The clinics would be for outpatients and stay open 24 hours-a-day, every day of the year, following the Salick Health Care formula.

He plans to raise between $100m and $300m from outside investors to launch the company, and a public listing would follow.

Zeneca acknowledged yesterday that under the terms of Dr Salick's departure he was able to set himself up in direct competition with it.

Bentley plans initially to set up clinics in the greater New York area, which is where Salick Health Care under Zeneca is also concentrating its oew investment.

California, where Dr Salick is based, is also a target, as is Europe.

"I wanted tn work with the British National Health Service last year [with Zeneca] but I was told that this was too sensitive ahead of the general election," be said. "I'm going to make a major move into Europe. It'a absolutely wide open."

To help establish the Aids clinics, Dr Salick has recruited two of the best known Aids researchers as advisers.

One is Dr David Ho, who has pinneered the drug "cocktails" that appear to be bringing the Aids virus under control. Dr Ho will head a scientific adviser board to Bentley.

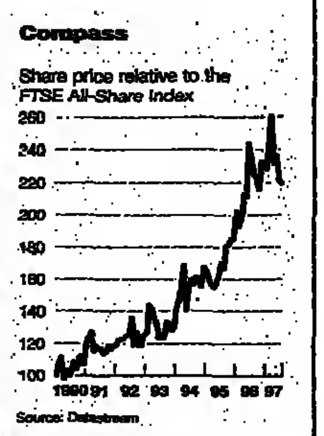
The other is Dr Luc Montagnier, who discovered the Aids virus. He is leaving the Pasteur Institute in Paris to take up a professorship in New York endowed by Dr Salick.

Dr Salick also hopes to find a way of involving Dr Robert Galln, director of the Institute of Virology at the University of Maryland and a long-standing rival of Dr Montagnier.

Dr Salick would not talk about the Zeneca episode yesterday, but he did say that no one from a pharmaceuticals company would be on the Bentley board.

LEX COMMENT

Compass



Compass has been pointing north for many years, rising from a humble £160m management buy-out in 1987 to the world's largest contract catering company. Its recipe for success has been to evolve as a global leader in a fragmented and primarily domestic industry. It has swallowed up smaller competitors and reaped the benefits of combined buying power. And the stock market has lapped up the story. Its shares are trading at 19 times forecast 1998 profits, which is more than 30 per cent higher than the market average. Undoubtedly, this is a well run company offering above-average growth. But the growth formula is not all that magical. Last year's net operating profit after tax represents a return of only 7 per cent on total invested capital, after adjusting for provisions and £1.6bn of goodwill. That will improve this year, but will still be low enough to flatter any unfashionable conglomerate. Cashflow looks good, but this is an expanding business which pays its suppliers after it gets cash from its customers. So if the growth dries up, so does the cash.

Furthermore, service industries are not naturals forinternationalisation. At least Compass gets a cost benefit from bulk buying as it expands. But most contracts are locally negotiated and in a business with minimal barriers to entry, domestic competitors can be nimble. Moreover, it is a people business, and vast people businesses are hard to control. In the circumstances, the shares may have become over-exuberant.

Scottish Power rises 38% to £558m

By Simon Holberton

Scottish Power, the acquisitive Glasgow-based multi-utility, yesterday signalled a period of consolidation when it said further takeovers were not on its near-term agenda.

"Our whole focus is on getting value from what we've got, and getting ready for competition [in 1998]," said Mr Ian Robinson, chief executive. "We've got a lot to tackle in tha up-coming period."

He made these comments as Scottish Power reported a 38 per cent rise in pre-tax profits to £558.4m ($904.6m) in the year to the end of March. Earnings per share were 15 per cent higher at 38.11p.

Since its 1995 acquisition of Manweb, the north-west of England regional electricity company, and last year's £1.7bn purchase of Southern Water, the south of England water company, Scottish Power's activities span electricity, water, gas, and telecommunications, giving it access to 20 per cent of the households in the UK.

Turnover for the group was up 30 per cent to £2.94bn. A final dividend of 12.33p was proposed, making 18.5p for the year - an increase of 19.4 per cent.

The results, which were in line with expectations, included eight months of Southern Water. This acquisition's high price tag was controversial but Scottish Power was able to show it had achieved savings wall ahead of predictions.

It raised target annual cost reductions at Southern Water from £44m to £52m and said it had begun the process of raising £100m cash from the sale of non-core businesses and property. Manpower had been cut by 624, or 14 per cent.

Mr Murray Stewart, chairman, said the company ended an excellent year and had made "significant progress towards our objective of building a multi-utility business".

In the southern England gas trials Scottish Power has signed up 70,000 customers. In telecoms, Scottish Telecom has achieved break-even in two years.

'Golden share' worry for BT/MCI merger

By Alan Cane

The government's "golden share" in British Telecommunications could prove the only serious obstacle to its plans to merge with MCI of the US, it emerged yesterday.

The merger, which would create a $20bn telecommunications giant, was this week approved by the European Union competition authorities, but has yet to be passed by the US Federal Communications Commission and the US Department of Justice.

BT executives, buoyed hy Brussels' decision to approve the merger several weeks ahead of expectations with only minor conditions attached, remain confident the US authorities will follow suit by the late summer.

They are concerned, however, that the golden share, which gives the government the right of veto over a potential buyer, could prove an obstacle. The FCC could argue that the share gives the UK government rights in the merged company which would not be reciprocated in the US.

The government might have to relinquish the share or arrange a compromise with the US government for the merger to go ahead.

Announcing the company's annual results yesterday, however, Sir Peter Bonfield, BT chief executive, said he could not anticipate any conditions which might be set by the FCC for approving the merger. "We are not actively horse-trading with them at the moment," he said.

In its final year under its present colours – after the merger the group will be known as Concert – BT produced results towards the bottom end of market expectations as competition at home and abroad and price controls took their toll.

Pre-tax profits of £3.2bn (£3.02bn) were 6 per cent ahead, after a final quarter of £695m (£584m). Turnover was £14.9bn, up 3.4 per cent on last year's £14.5bn.

Inland call volume was essentially unchanged at £4.88bn. Calls over high speed ISDN lines grew by more than 40 per cent while telemarketing services grew more than 50 per cent. Calls from fixed phones to mobile phones grew 15 per cent.

A proposed final dividend of 11.95p makes 19.85p, up 6 per cent. There is also a special 35p dividend as a result of the greater gearing planned to finance the MCI deal.

Trevor Humphries

Sir Iain Vallance, chairman, left, and Sir Peter Bonfield

KIO sells 170m shares in BP

By Robert Corzine

The placement yesterday by Goldman Sachs of 170m British Petroleum shares, formerly owned by Kuwait, was "comfortably oversubscribed," according to the US investment bank.

The operatinn, which began late Wednesday afternoon, was completed by mid-morning yesterday. Goldman has described it as one of the biggest block sales of shares ever undertaken. The stock was offered to institutions in the UK, Europe and Asia at 716p a share, a 3.5 per cent discount on Wednesday's closing price. The deal was valued at £1.22bn ($1.97bn).

BP shares closed 20p down last night at 724½p. Company executives were said to have been pleased at the relatively muted reaction of the market tn the placement.

Goldman said it approached hundreds of institutions and private investors after the Kuwait Investment Office signalled its intention to sell a 3 per ceot bolding. It intends to retain its remaining 6.3 per cent stake.

The bank would not disclose the identity of the biggest buyers. However, BP is thought to be satisfied that a number of key US institutions whicb it wanted on its share register took part in the placement.

Compass points towards Wembley

By David Blackwell

Compass, which has grown to be the world's biggest food services group, has added Wembley and the Oval cricket ground to its UK catering vennes with another acquisition yesterday.

The group, which already has the Stade de France contract for the 1998 Football World Cup in France, yesterday agreed to pay £11m ($17.8m) casb for National Leisure Catering.

NL, which last year made profits of £1.7m on sales of £19.4m, has the contracts for Wembley Stadium, Arena and Conference Centre, as well as for the Oval.

Mr Francis Mackay, chief executive, said he boped – "with a bit of luck" – to be catering for England at Wembley and at the Stade de France.

News of the deal came as the group unveiled pre-tax profits for the six months to Marcb 30 of £56.4m, compared with £47.8m excluding exceptionals. Sales from continuing operations rose 40 per cent to £1.72bn.

Mr Mackay said the US operations – mainly Canteen – had been ontstanding, with like-for-like sales growing by 10 per cent. Even if a big contract with IBM was excluded, like-for-like growth was 7 per cent, and margins rose from 4 to 4.3 per cent.

"The day-to-day growth rate in the US is first class," said Mr Mackay, especially so considering that Canteen's business was if anything going backwards wben Compass acquired it. North American sales rose from £370.3m to £596.7m in the period, with operating profits up from £14.8m to £17.8m.

Mr Mackay said that world prospects continued to be good.

Kvaerner sells its 26% shareholding in Amec

By Andrew Taylor, Construction Correspondent

Kvaerner, tha construction, engineering and shipbuilding group, has made a profit of about £22m ($35.6m) from the sale of its 25.87 per cent stake in Amec.

A hostile £360m takeover bid by Kvaerner for the British construction group failed at the end of 1995. Kvaerner, which has its headquarters in Norway but is run from London, subsequently paid £904m to buy Trafalgar House, another large UK construction and engineering group.

Kvaerner, which embarked on a disposal programme of non-core assets to cut borrowings after the Trafalgar takeover, said it had placed 52.8m Amec shares at 140p with institutions and other investors.

This was 40 per cent more than it paid for the shares 19 months ago.

Amec's shares yesterday rose 5p to 146½p, while Kvaerner A shares fell NKr3 to NKr358.

The Anglo-Norwegian group said: "With this sale and the recent agreement to sell shares in Bergesen, the Norwegian shipping company, the group has achieved the goal it set after the acquisition of Trafalgar House of selling assets totalling NKr10bn ($1.41bn)."

At the end of December, Kvaerner had net debt of £130m, representing gearing of 160 per cent. It said the programme for selling non-core assets would continue.

Its stake in Amec is understood to have been placed with about 20 investors, most of them new shareholders. The largest single stake bought is thought to have been been about 5 per cent.

Meanwbile, Kvaerner announced yesterday that it was leading an Anglo-Norwegian-Japanese-Turkish consortium which had been named preferred bidder for the $1bn Izmit Bay road crossing in Turkey.

Guinness meeting a smooth affair

By Ross Tieman

For what may well prove to be the last Guinness annual meeting, it was a remarkably placid affair.

There was only a smattering of questions about the £23.8bn ($38.6bn) merger of the spirits and brewing group with Grand Metropolitan, the drinks and food conglomerate, announced on Monday.

Many shareholders seemed more preoccupied with mundane issues: Why was the meeting held in the afternoon? Why wasn't there any Guinness? Why were there no women on the board?

Mr Tony Greener, chairman, had come to the Royal Lancaster Hotel in west London with an arsenal of modern communication equipment to sell the merger to his shareholders.

More than 700 were treated to a slide presentation extolling tha benefits of the deal. GMG Brands, the combined business, would rank seventh in a league table of the world's foremost food and drink companies.

Some shareholders sought clarification nf the details. One was promised by Mr Greener that regulatnry approvals were likely to be obtained, despite loud protests by Seagram of Canada, a leading rival in the drinks market, that GMG'e market share would be excessive.

He said: "There is no way we would have gone ahead with a merger like this unless we were absolutely confident that the merger would go ahead."

One investor questioned the absence of Mr Bernard Arnault, chairman of LVMH Moët Hennessy Louis Vuitton, the French luxury goods group, wbo is a Guinness director. Guinnese and LVMH have a joint venture in drinks distribution. Mr Greener said Mr Arnault, wbo opposed the merger, had a prior engagement.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Dividends: Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
AAF Inds	Yr to Dec 30	35.4	(23.5)	1.43L♠	(0.953L♠)	6.64L	(4.34L)	nil	-	nil	nil	nil
Abbeycrest	Yr to Feb 28	67.4	(60.7)	3.58	(2.52♠)	9.8	(7.2)	2.5	July 11	2.4	3.8	3.6
Alvis	6 mths to Mar 31	31.2	(55.1)	3.06	(5.05)	2.6†	(6)	1.25	Aug 1	1	-	3
BG	3 mths to Mar 31	2,486	(3,244)	711♥	(933)	1.9L	(13.1)	-	-	-	-	14.5
Bibby (J)	6 mths to Mar 29	380.3	(390.1)	21.4	(19)	8.03	(6.51)	nil	-	2	-	7.5
BT	Yr to Mar 31	14,935	(14,446)	3,203♠	(3,019♠)	32.8	(31.6)	11.95	Sept 22	11.25	19.85‡	18.7
Burton	6 mths to Mar 1	1,213	(1,090)	108.1	(88.1)	5.4	(4.5)	1.4	July 25	1.15	-	2.8
Carlisle	Yr to Dec 31	2.09	(4.87)	0.33	(4.06L♠)	0.1	(3.3L)	nil	-	nil	nil	nil
Compass	6 mths to Mar 30	1,718	(1,243)	56.4	(67.8♥)	12.9	(17.3)	3.1	Aug 28	2.75	-	8.6
Concentric	6 mths to Mar 31	73	(74.7)	3.41	(5.34)	4.2	(6.58)	2.15	July 1	2.05	-	6.94
Ferguson Intl	Yr to Feb 28	153.9	(206.4)	10.6♠	(1.11L♠)	17.4	(11.9L)	8.75	July 9	8.75	13.25	13.25
Hanson	6 mths to Mar 31	3,258	(6,190)	262.8	(766.2♥)	33.7	(82.7)	-	-	-	-	12
Hay & Robertson	6 mths to Mar 31	7.23	(2.57)	0.638	(0.26L)	2†	(1.7L)	-	-	-	-	-
Maid	3 mths to Mar 31	6.75	(4.48)	2.35♥	(1.43L)	1.31	(1.81L)	-	-	-	-	-
MAM	Yr to Mar 31	356.5	(286.3)	179.2♥	(140.5)	66.7	(53)	35	July 2	29	45	35
Scottish Power	Yr to Mar 31	2,941	(2,272)	558.4♠	(404.8)	38.11†	(33.12)	12.33	Oct 1	10.33	18.5	15.5
Self Sealing Φ	14 mths to Dec 31☆	0.083	(-)	0.766L	(0.848L)	14.33L†	(36.92L)	-	-	-	-	-
Shaftesbury	6 mths to Mar 31	6.53□	(4.63□)	2.79	(1.76)	2.2†	(3.3)	0.75	July 4	0.75	-	2
Tomkinsons	6 mths to Mar 29	13.7	(13.3)	0.86	(0.704)	8.9	(7.4)	3.5	July 1	3.5	-	11.5
Warner Howard	Yr to Feb 28	28.7	(27.2)	7.86	(7.16)	22.04	(20.75)	0.25	June 25	5.85	10.5	9

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
F&C German	Yr to Mar 31 ★	192.85	(172.91)	0.173	(0.4)	0.44	(1.02)	0.75大	June 25	0.75	0.75	0.75
Majedie	6 mths to Mar 31 ★	298	(276)	1.17	(1.97)	2.22	(3.75)	3	June 9	2.5	-	6.6
Scottish Value	6 mths to Mar 31	135.99	(124.85)	0.945	(1.03)	1.88	(2.04)	1	July 10	1	-	2

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ♠After exceptional charge. ♥After exceptional credit. †On increased capital. ‡Excludes 35p special. □Gross rental income. ΦAim stock. ☆Comparatives for 17½ months to October 31 1995. ★Comparatives restated. 大Foreign income dividends throughout.

INTERNATIONAL CAPITAL MARKETS

Investment-grade issue from Telecom Argentina

INTERNATIONAL BONDS

By Edward Luce and Richard Lapper

Telecom Argentina tested recent credit-rating theory yesterday with the first investment-grade bond to be issued by an Argentine borrower.

The L400bn issue, rated BBB– by Standard & Poor's but just B1 by Moody's Investors Service, comes just a few weeks after S&P lifted the debt ceiling on Argentine corporate borrowers.

The move, which Moody's has so far chosen not to follow, allowed S&P to give Argentine companies higher ratings than the Argentine sovereign ceiling.

S&P's decision, which led to an instant two-notch upgrading for 12 Argentine companies, leaves Telecom Argentina with a rating four levels higher than its grade from Moody's and two levels above the sovereign rating.

Officials at J.P. Morgan, which arranged the deal with BCI, said Italian investors clearly favoured S&P's rating. The 10-year bond, priced to yield 160 basis points over BTP swaps, was the tightest Latin American spread yet in lire.

"The new credit-rating wasn't the only factor," said an official. "Investors were also focusing on Telecom Argentina's low risk weighting and its link-up with Stet and France Telecom." About 75 per cent of the paper was taken by local investors.

CZECH EXPORT BANK, the state-owned bank, also chalked up a milestone with the tightest ever five-year launch spread by an east European borrower. The $250m issue, increased from $150m owing to strong pre-launch bookings, was priced to yield 50 basis points over Treasuries, well below the previous tightest spread of 58 basis points by Slovenia.

J.P. Morgan, sole underwriter, said UK investors provided strong demand. The paper was bid at 46 basis points over Treasuries in the secondary market.

TOKYO ELECTRIC POWER tapped the D-Mark sector for the first time since 1992 with a five-year DM1bn offering. Priced to yield 29 basis points over bunds, the issue was popular with German and UK institutions, according to WestLB, lead underwriter. "We also expect to see strong Swiss and Benelux retail buying over the next few days."

An undated preference share issue offering investors protection against a reduction in advance corporation tax was the highlight of a busy day in sterling.

ABBEY NATIONAL, the UK bank, raised £125m with an undated issue whose coupon will adjust upwards to compensate investors for any reduction in the ACT rate. Some institutional investors receive tax credits on ACT and will lose out if the rate is cut in the Labour government's budget next month. Abbey National issued two tranches of a preference shares with the same structure in 1995 and 1996. These are now trading at between 125 and 130 basis points over gilts, a substantial premium over comparable conventional preference shares which have been trading at spreads of up to 250 basis points over gilts.

Yesterday's issue, priced at 140 basis points over UK government bonds, was led by Goldman Sachs and bought mainly by UK life assurance companies and pension funds.

BZW launched the first 25-year sterling deal since last week's strong rally in the gilts market. The £200m deal for NATIONAL POWER was priced to yield 93 basis points over the government bond.

A £200m floating-rate note issue for COMPAGNIE BANCAIRE, the French bank, also launched by BZW, was the first seven-year sterling floater since January last year.

New international bond issues

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book-runner
US DOLLARS							
FCCBO Ltd/FCCBO Cp(a)‡	800	(a1)	(a1)	May 2009	0.50	-	Goldman Sachs Intl
Czech Export Bank	250	7.00	99.419R	May 2002	0.35R	+50(6⅝%-Apr02)	JP Morgan Securities
D-MARKS							
Tokyo Electric Power Co	1bn	4.75	99.90R	Jun 2002	0.25R	+29(4¾%-Nov01)	WestLB
Westpac Banking Corp‡	350	(b)	99.86R	Jun 1999	0.10R	-	JP Morgan
STERLING							
National Power(c)	200	8.125	99.326R	Jun 2022	0.625R	+93(8%-2021)	Barclays de Zoete Wedd
Compagnie Bancaire‡	200	(d)	99.895	Jun 2004	0.225	-	Barclays de Zoete Wedd
SWISS FRANCS							
Aegon	150	3.25	102.55	Jun 2004	2.50	-	ABN Amro Hoare Govett
ITALIAN LIRE							
Telecom Argentina	400bn	8.875	99.33R	May 2007	0.60R	+160(swaps)	JP Morgan Securities
GUILDERS							
Republic of Italy	1.25bn	6.125	99.19R	May 2012	0.40R	+29(f)	ABN Amro Hoare Govett
CANADIAN DOLLARS							
Farm Credit Corp	100	6.00	99.725R	Jun 2002	0.25R	+17(7%-Sep01)	Toronto Dominion Bank

Final terms, non-callable unless stated. Yield spread (over relevant government bond) at launch supplied by lead manager. ★Unlisted. ‡ Floating-rate note. #Semi-annual coupon. R: Fixed re-offer price; fees shown at re-offer level. a) Callable from May 00. Av life: 6½ yrs. a1) Priced today to yield 6-mth Libor +38-40bp. b) 3-mth Libor -5bp. c) Spens call provision. Standard restructuring event put. f) Over interpolated yield.

Italy taps guilder eurobond sector

By Edward Luce

The Italian government yesterday added its name to the growing roll-call of issuers in the Netherlands with a debut euroguilder bond pitched at Dutch pension funds.

Officials at ABN Amro, sole lead manager of the deal, said Italy wanted to tap the Netherlands' liquid investor base well ahead of the creation of the European single currency in 1999.

The Italians also wanted to take advantage of the guilder's tight pricing curve. "Italy chose guilders over French francs because it felt that the Dutch had a more liquid investor base than France," said one official in Amsterdam. "The yield on guilders is also well below that of most European currencies."

Traders said the Fl 1.25bn bond, priced to yield 29 basis points over 15-year Dutch government bonds, was trading a shade below its re-offer price in the secondary market.

About 85 per cent of the issue went to Dutch institutions, with most of the remainder going to French long-term funds. "We had almost no buying from German investors probably because yields are quite a bit higher in 15-year bunds," said one official.

The offering – the first sovereign bond in guilders this year and the first ever with a 15-year maturity – follows four sovereign guilder-denominated issues. These include Austria, which issued a 30-year sovereign in 1993, Sweden, Brazil and Argentina.

Traders say Italy is likely to be followed by other foreign borrowers.

Convertible by Huaneng Power

By Samer Iskandar

Huaneng Power International has become the first Chinese company to make a convertible bond issue in the US under registration with the Securities and Exchange Commission, the market regulator.

The transaction is an issue of $200m of seven-year bonds convertible into American Depositary Shares (ADSs) of Huaneng Power listed on the New York Stock Exchange.

ADSs are certificates that are traded on a US exchange in lieu of domestic shares held in custody. They mirror the performance of the ordinary shares but allow investors to bypass entry barriers in less developed markets.

The convertible issue, lead-managed by J.P. Morgan, will pay a 1.75 per cent coupon in semi-annual instalments. The bonds can be converted into Huaneng Power ADSs at $29.20 per ADS, a premium of 18 per cent over Tuesday's closing price of $24.75.

The notes, offered simultaneously to investors in North America, Europe and Asia, will be listed in New York and Luxembourg.

They can be redeemed in advance by the issuer if the ADS trades for 30 consecutive days at more than 30 per cent above the conversion price.

Investors can also obtain early redemption in certain market conditions.

German bunds underperform

GOVERNMENT BONDS

By Samer Iskandar in London and Jane Martinson in New York

German bunds underperformed most European bonds on news that the government was expecting a DM18bn shortfall in tax revenues, rising to DM31.6bn next year.

In London the June bund future lost 0.13 to close at 102.37, while in the cash market the 10-year benchmark bund closed 0.29 lower at 102.17.

Analysts said bunds could suffer in the near future as the implications of the news filtered through to the markets.

"The reaction will take a while to sink in," said Ms Sonja Gibbs, a senior bond strategist at Nomura International.

In the medium term, Nomura predicts "the [European monetary union] premium on bund yields will persist, and a supply premium may also be added".

Ms Gibbs believes 10-year bund yields are now more likely to trade in a range of 5.75-6.00 per cent, up from the 5.60-5.70 per cent range of recent weeks.

FRENCH OATS managed to underperform bunds, with uncertainty over the forthcoming elections weighing on market sentiment.

The June notional future lost 0.38 to settle at 130.26.

In the cash market the 10-year yield spread of bunds over OATs tightened by 2 basis points to 12 points.

ITALIAN BTPs' yield spreads over bunds briefly dipped below the 150 basis point level, before closing at 155 basis points, unchanged.

In London the June BTP future settled 0.18 lower at 130.21, then rallied in after-hours electronic trading to around 130.40, reversing earlier losses.

UK GILTS failed to respond to bullish inflation data. Uncertainty over whether the US Federal Reserve would tighten monetary policy after its Open Market Committee meeting next Tuesday weighed on market sentiment.

In London the June long gilt future lost $\frac{1}{32}$ to settle at $114\frac{7}{16}$, but in the cash market gilts' 10-year yield spread over bunds tightened by 1 basis point to 139 points.

Although the headline rate of consumer price inflation (excluding mortgage payments) fell to 2.5 per cent in April, matching the government's target, economists said upward price pressure on services was worrying.

US BOND prices were flat at mid-session yesterday as the market fluctuated over conflicting economic data.

The benchmark 30-year Treasury was up $\frac{1}{32}$ at 96[illegible] at midday, its yield slightly off at 6.874 per cent. Its price had fallen to a low of 95[illegible] in morning trade, but rallied after figures on industrial production and the business outlook in Philadelphia pointed to lower growth.

Higher than expected consumer prices in April had initially depressed prices. However, economists downplayed this disappointment, blaming the increase on higher clothing costs and airline fares.

"The CPI was a little worse than expected, but really it was largely in apparel prices," said Mr Bruce Steinberg, chief economist at Merrill Lynch. "It's not something that is going to recur."

The market also appeared to discount data indicating that monthly jobless figures had fallen twice as fast as expected.

Traders attributed the market's volatility to differences of opinion over whether the Federal Reserve's Open Market Committee will lift interest rates on Tuesday.

The yield on the two-year note remained unchanged at 6.218 per cent at midday, while that on the 10-year note rose slightly to 6.673 per cent as its price increased $\frac{1}{32}$ to 99[illegible].

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		8.750	11/06	93.8106	+0.570	7.69	7.80	8.00
Austria		5.750	04/07	100.2400	-0.120	5.72	5.76	5.89
Belgium		6.250	03/07	103.2700	-0.200	5.80	5.87	6.04
Canada *		7.000	12/06	103.2000	-0.020	6.54	6.63	6.87
Denmark		8.000	03/06	111.6000	-0.040	6.25	6.41	6.63
France	BTAN	4.750	03/02	100.4638	-0.170	4.64	4.72	4.81
	OAT	5.500	04/07	99.3900	-0.300	5.58	5.69	5.81
Germany Bund		8.000	01/07	102.1700	-0.290	5.70	5.74	5.90
Ireland		8.000	08/06	109.8400	-0.120	6.54	6.70	6.82
Italy		6.750	02/07	97.4500	+0.110	7.12†	7.30	7.51
Japan	No 145	5.500	03/02	116.5542	+0.170	1.78	1.74	1.39
	No 182	3.000	09/05	103.0984	-0.070	2.55	2.51	2.10
Netherlands		5.750	02/07	101.0000	-0.240	5.61	5.65	5.80
Portugal		9.500	02/06	120.3000	-0.060	6.40	6.60	6.79
Spain		7.350	03/07	0.0000	-	0.00	6.70	6.87
Sweden		8.000	08/07	107.8445	+0.300	6.90	7.11	7.26
UK Gilts		7.000	06/02	100-20	-	6.85	6.94	7.32
		7.250	12/07	102-04	-3/32	6.96	7.06	7.66
		9.000	10/08	115-10	-4/32	7.03	7.13	7.71
US Treasury *		6.625	05/07	99-19	-4/32	6.68	6.75	6.87
		6.625	02/27	96-23	-1/32	6.88	6.95	7.08
ECU (French Govt)		7.000	04/06	107.3800	-0.230	5.91	6.02	6.17

London closing. *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Latest		Treasury Bills and Bond Yields			
		One month	-	Two year	6.24
Prime rate	$8\frac{1}{2}$	Two month	-	Three year	6.39
Broker loan rate	$7\frac{1}{4}$	Three month	5.16	Five year	6.53
Fed.funds	$5\frac{1}{4}$	Six month	5.51	10-year	6.67
Fed.funds at intervention	-	One year	5.82	30-year	6.88

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	130.58	130.26	-0.38	130.64	130.20	151,992	165,835
Sep	129.02	128.70	-0.34	129.06	128.66	4,663	12,896
Dec	98.44	98.12	-0.34	98.44	98.44	2	-

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Jun	Calls Jul	Calls Sep	Puts Jun	Puts Jul	Puts Sep
127	3.27	2.01	2.41	0.01	0.31	0.73
128	2.30	1.26	1.73	0.04	0.57	1.04
129	1.39	0.67	1.14	0.13	0.67	1.44
130	0.63	0.26	0.69	0.37	-	-
131	0.17	0.10	0.39	0.90	-	-

Est. vol. total, Calls 12,205 Puts 21,035. Previous day's open int., Calls 116,826 Puts 176,401.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	102.48	102.37	-0.13	102.50	102.10	194073	269464
Sep	101.47	101.37	-0.14	101.47	101.15	4956	28590

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Jun	Calls Jul	Calls Aug	Calls Sep	Puts Jun	Puts Jul	Puts Aug	Puts Sep
10200	0.53	0.41	0.64	0.83	0.16	1.04	1.27	1.48
10250	0.24	0.25	0.46	0.63	0.37	1.38	1.59	1.76
10300	0.09	0.15	0.33	0.47	0.72	1.78	1.96	2.10

Est. vol. total, Calls 19032 Puts 36180. Previous day's open int., Calls 236243 Puts 277816

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	130.36	130.21	-0.18	130.54	129.99	66955	118049
Sep	130.93	130.70	-0.16	130.98	130.55	2812	7584

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Jun	Calls Sep	Puts Jun	Puts Sep
13000	0.60	2.46	0.39	1.76
13050	0.36	2.17	0.65	1.97
13100	0.19	1.88	0.96	2.16

Est. vol. total, Calls 10298 Puts 9830. Previous day's open int., Calls 110341 Puts 121593

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF) (May 14)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	115.80	116.09	+0.33	116.18	115.76	84,830	89,820
Sep	115.25	115.30	+0.29	115.31	115.11	1,869	2,101

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	114-18	114-14	-0-03	114-18	113-28	97800	228967
Sep	114-25	114-24	-0-03	114-25	114-10	3218	8365

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Jun	Calls Jul	Calls Aug	Calls Sep	Puts Jun	Puts Jul	Puts Aug	Puts Sep
114	0-43	1-34	1-57	2-11	0-15	0-50	1-09	1-27
115	0-12	0-62	1-24	1-41	0-48	1-14	1-40	1-57
116	0-03	0-33	0-61	1-13	1-39	1-49	2-13	2-29

Est. vol. total, Calls 3456 Puts 11041. Previous day's open int., Calls 61988 Puts 45302

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	96.22	95.96	-0.30	96.44	95.90	1,764	6,080
Sep	-	95.56	-0.30	-	-	-	-

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Jun	110-05	109-29	-0-08	110-10	109-12	436,200	495,900
Sep	109-26	109-16	-0-09	109-27	109-01	4,672	66,416
Dec	109-12	109-03	-0-09	109-12	108-26	18,939	12,754

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Jun	123.82	-	-	123.86	123.61	5204	n/a
Sep	122.40	-	-	122.44	122.25	2814	n/a

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FTSE Actuaries Govt. Securities — UK Indices

Price indices UK Gilts	Thu May 15	Day's change %	Wed May 14	Accrued interest	xd adj. ytd		Low coupon yield May 15	May 14	Yr. ago	Medium coupon yield May 15	May 14	Yr. ago	High coupon yield May 15	May 14	Yr. ago
1 Up to 5 years (19)	120.12	0.02	120.10	1.88	4.81	5 yrs	6.87	6.86	7.52	6.98	6.93	7.56	6.98	6.98	7.65
2 5-15 years (21)	154.47	-0.02	155.00	3.07	3.79	15 yrs	7.03	7.02	6.23	7.05	7.04	8.24	7.06	7.04	8.34
3 Over 15 years (6)	181.76	-0.16	182.08	5.92	3.16	20 yrs	7.08	7.07	8.31	7.07	7.05	8.24	7.06	7.05	8.36
4 Irredeemables (5)	211.81	-0.18	212.24	5.27	2.37	Irred.†	7.22	7.21	8.37						
5 All stocks (51)	148.17	-0.04	148.45	3.14	4.17										

Index-linked							Inflation 5% May 15	May 14	Yr. ago	Inflation 10% May 15	May 14	Yr. ago
6 Up to 5 years (2)	205.19	-0.04	205.28	0.73	3.03	Up to 5 yrs	3.30	3.24	2.68	2.82	2.65	1.36
7 Over 5 years (10)	198.07	-0.09	198.25	1.10	2.86	Over 5 yrs	3.55	3.52	3.76	3.32	3.33	3.60
8 All stocks (12)	197.75	-0.08	197.92	1.06	2.86							

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT Fixed Interest Indices

	May 15	May 14	May 13	May 12	May 9	Yr ago	High*	Low*
Govt. Secs. (UK)	97.32	97.51	97.23	96.57	97.20	92.29	97.51	93.31
Fixed Interest	121.56	121.39	121.02	121.24	119.67	111.56	121.56	115.32

Gilt Edged Activity Indices

	May 14	May 13	May 12	May 9	May 8
Gilt Edged bargains	NA	NA	NA	NA	NA
5-day average	NA	NA	NA	NA	NA

 * for 1997. Government Securities high since compilation: 127.40 (09/01/35), low 49.18 (03/01/75). Fixed Interest high since compilation: 133.87 (21/01/94), low 50.53 (03/01/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974. Gilt Edged volume data will be unavailable until the end of May.

UK GILTS PRICES

	Notes	Yield Int	Yield Red	Price £	+ or -	52 week High	52 week Low
Shorts (Lives up to Five Years)							
Treas Cnv 7pc 1997‡‡		6.99	6.17	$100\frac{1}{8}$	$-\frac{1}{32}$	[illegible]	$100\frac{5}{8}$
Treas 8¾pc 1997‡‡		8.70	6.26	$100\frac{5}{8}$	[illegible]	[illegible]	$100\frac{5}{8}$
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:10 pm on May 15

	Issued	Bid	Offer	Chg	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 00	1000	98	$98\frac{1}{8}$		6.92
Spain 7¼ 03	4000	$110\frac{5}{8}$	$110\frac{3}{4}$	$-\frac{1}{8}$	5.06
Volkswagen Intl Fin 7 00	1000	$108\frac{1}{4}$	$108\frac{1}{2}$		5.36
Abbey Natl Treasury 8 00 £	1000	$102\frac{7}{8}$	$103\frac{1}{4}$	$+\frac{1}{8}$	7.37
British Land 8⅞ 23 £	150	$106\frac{3}{4}$	$107\frac{1}{8}$	$-\frac{1}{4}$	8.41
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CURRENCIES AND MONEY

Yen gains on new rate rise talk

MARKETS REPORT

By Simon Kuper

The yen surged again yesterday on fresh talk that Japanese interest rates would rise soon. Technical selling of dollars was underway long before Mr Koichi Kato, secretary-general of Japan's ruling Liberal Democratic Party, was quoted as saying that the country could come under pressure to raise rates if it progressed with financial market deregulation. The dollar suffered from an overnight rumour that Mr Robert Rubin, US treasury secretary, wanted the dollar to settle at Y115.

The dollar lost Y2.2 against the yen to close in London at Y116.1. It has now lost more than Y10 in the last ten days – or 8 per cent of its value. Mr Paul Chertkow, head of global foreign exchange research at UBS in London, said this was the dollar's quickest fall against any currency for a decade.

The dollar has dropped so fast that Japan's ministry of finance was seen by some in the market trying to prop it up at just below Y115. Yesterday various ministry officials reversed their six-month-old policy of trying to talk the dollar down. They said the message from April's Group of Seven summit in Washington – that the dollar's rise should cease – had "fully" filtered through to the market.

Fresh data had little impact yesterday. The dollar gained a minor boost from strong consumer price inflation data for April, but strategists said the main reason for the currency's late bounce was buying on dips.

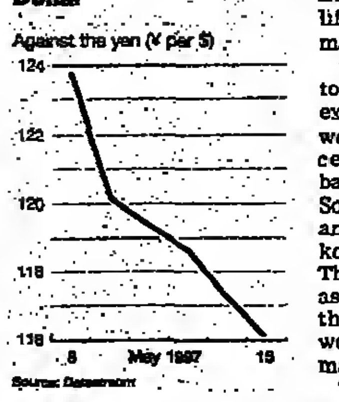
■ Pound in New York

May 15	—Latest—	… Prev. close —
£ spot	1.6395	1.6470
1 mth	1.6387	1.6462
3 mth	1.6370	1.6445
1 yr	1.6301	1.6378

■ Forex strategists said that the way the market was positioned suggested that the dollar had further to fall. Mr Robin Aspinall, chief economist at the National Australia Bank in London, said: "The whole world is still very short of yen." This was because investors had borrowed the currency at low interest rates for two years in order to buy high yielding currencies.

Mr Chertkow said that the dollar's sudden slide had caught many institutions by surprise. Many hedge funds that had bought the dollar between Y106-Y108 in January 1996, and had bought more when the dollar was at Y120-Y122 last month, had missed the chance to sell before the slide. Mr Chertkow said that if the dollar rebounded, many of these funds would use the chance to sell and take their profits. Japan could end up weakening the dollar by more than it wanted too, he warned.

Dollar



Source: Datastream

■ The Czech National Bank yesterday admitted its first intervention to support the koruna in a year, excluding market fixes. The currency has been under pressure for weeks, as the Czech economy has slowed and the current account deficit has risen. But this week attacks on the koruna increased, with the Thai baht's troubles and the forecast rise in Japanese interest rates making life hard for all emerging market currencies.

The koruna had dropped to 105 on the bank's foreign exchange index – in other words, 5 per cent below its central level. The central bank's limit is 7.5 per cent. So it stepped into the market and managed to raise the koruna back to about 103.3. The bank used interest rates as a weapon, announcing that its repurchase rate would in future be set by the market, forcing rates up.

The koruna was helped by yesterday's rally in the baht. Mr David Simmonds, emerging markets economist at Citibank in London, said the Bank of Thailand engineered a sharp liquidity squeeze, causing a retreat from short baht positions.

Forex strategists said that if the markets had forced Thailand to devalue, the speculators would then have thrown their profits into an attack on the koruna.

Mr Tony Norfield, currency strategist at ABN-Amro, is visiting Prague at the moment, meeting central bank and ministry officials. He says the central bank will succeed in keeping the koruna within its present limits "for another few months at least". The bank, he points out, has forex reserves of about $12bn; the daily market in the koruna is just $5bn, with half of it based in Prague.

Mr Norfield said the bank was intervening because it thought the koruna's latest slide was unjustified, a ripple effect from the baht. But later in the year, if the Czech economy stayed slow, a devaluation was possible.

■ OTHER CURRENCIES

May 15	£	$
Czech Rp	50.5975 - 50.6777	30.8540 - 30.8860
Hungary	296.789 - 297.034	180.980 - 181.030
Iran	4922.40 - 4919.70	3000.00 - 3000.00
Kuwait	0.4956 - 0.4960	0.3022 - 0.3023
Poland	5.1608 - 5.1685	3.1470 - 3.1500
Russia	9447.46 - 9455.93	5761.00 - 5763.00
U.A.E.	6.0209 - 6.0275	3.6715 - 3.6735

POUND SPOT FORWARD AGAINST THE POUND

May 15		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	19.6075	-0.0281	989 - 161	19.7005	19.5000	19.554	3.3	19.466	2.9	-	-	103.2
Belgium	(BFr)	57.5107	-0.0873	621 - 593	57.7640	57.2050	57.3557	3.2	57.0407	3.3	55.6107	3.3	103.0
Denmark	(DKr)	10.6119	-0.0118	069 - 168	10.6308	10.5497	10.5864	2.9	10.5339	2.9	10.3124	2.8	105.6
Finland	(FM)	8.4271	+0.0106	186 - 355	8.4630	8.3350	-	-	-	-	-	-	81.6
France	(FFr)	9.3840	-0.0149	797 - 882	9.4105	9.3307	9.3598	3.1	9.3118	3.1	9.0893	3.1	106.0
Germany	(DM)	2.7858	-0.004	846 - 869	2.7949	2.7700	2.7782	3.3	2.7622	3.4	2.6919	3.4	104.4
Greece	(Dr)	444.855	-0.967	561 - 149	447.084	442.606	-	-	-	-	-	-	65.0
Ireland	(I£)	1.0714	-0.0063	697 - 731	1.0808	1.0701	1.0715	-0.1	1.0705	0.3	1.0635	0.7	99.4
Italy	(L)	2749.64	+2.74	798 - 129	2751.90	2733.61	2751.34	-0.7	2752.74	-0.5	2756.59	-0.3	78.2
Luxembourg	(LFr)	57.5107	-0.0873	621 - 593	57.7640	57.2050	57.3557	3.2	57.0407	3.3	55.6107	3.3	103.0
Netherlands	(Fl)	3.1318	-0.0063	306 - 331	3.1400	3.1151	3.1234	3.3	3.1054	3.4	3.0273	3.3	102.7
Norway	(NKr)	11.5896	+0.0314	815 - 977	11.6053	11.4470	11.5591	3.2	11.4996	3.1	11.2536	2.9	98.1
Portugal	(Es)	280.951	+0.384	833 - 069	281.146	279.358	280.801	0.6	280.426	0.7	-	-	93.8
Spain	(Pta)	235.070	-0.522	932 - 209	235.740	233.910	234.91	0.8	234.47	1.0	231.715	1.4	77.8
Sweden	(SKr)	12.4566	-0.0212	489 - 648	12.5081	12.3942	12.4351	2.1	12.3871	2.2	12.1991	2.1	84.8
Switzerland	(SFr)	2.3528	-0.0104	518 - 539	2.3853	2.3390	2.3434	4.8	2.3243	4.8	2.2403	4.8	104.5
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	99.0
Ecu	-	1.4282	-0.0029	274 - 290	1.4312	1.4214	1.4255	2.2	1.4188	2.4	1.3925	2.5	-
SDR†	-	1.180528	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.6401	-0.0001	396 - 406	1.6489	1.6367	-	-	-	-	-	-	-
Brazil	(R$)	1.7510	-0.0001	504 - 515	1.7668	1.7483	-	-	-	-	-	-	-
Canada	(C$)	2.2707	-0.0028	698 - 717	2.2908	2.2649	2.2645	3.3	2.253	3.1	2.2113	2.0	84.3
Mexico	(New Peso)	12.9621	+0.0185	503 - 738	13.0159	12.9503	-	-	-	-	-	-	-
USA	($)	1.6404	-0.0001	399 - 408	1.6492	1.6370	1.6396	0.6	1.638	0.6	1.6321	0.5	102.5
Pacific/Middle East/Africa													
Australia	(A$)	2.1148	+0.0061	139 - 158	2.1310	2.1063	2.114	0.3	2.1121	0.5	2.102	0.6	95.2
Hong Kong	(HK$)	12.6925	+0.0017	882 - 968	12.7627	12.6704	12.6886	0.8	12.678	0.5	12.6412	0.4	-
India	(Rs)	58.7492	-0.03	920 - 063	59.0890	58.6700	-	-	-	-	-	-	-
Israel	(Shk)	5.5769	+0.007	698 - 828	5.5903	5.5635	-	-	-	-	-	-	-
Japan	(Y)	190.445	-3.667	310 - 579	193.290	188.860	189.385	6.7	187.375	6.4	178.56	6.2	130.3
Malaysia	(M$)	4.0993	-0.0085	973 - 012	4.1570	4.0934	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.3607	+0.0025	592 - 622	2.3676	2.3507	2.3605	0.1	2.3615	-0.1	2.3687	-0.3	113.6
Philippines	(Peso)	43.2708	+0.0026	425 - 991	43.1595	43.4847	-	-	-	-	-	-	-
Saudi Arabia	(SR)	6.1523	-0.0006	504 - 541	6.1858	6.1404	-	-	-	-	-	-	-
Singapore	(S$)	2.3526	-0.0029	511 - 541	2.3605	2.3486	-	-	-	-	-	-	-
South Africa	(R)	7.3488	-0.0039	443 - 532	7.4024	7.3415	-	-	-	-	-	-	-
South Korea	(Won)	1462.37	-1.78	787 - 686	1470.48	1457.37	-	-	-	-	-	-	-
Taiwan	(T$)	45.5771	+0.0286	236 - 306	45.8197	45.5238	-	-	-	-	-	-	-
Thailand	(Bt)	41.6009	-1.07	075 - 943	42.6430	41.4075	-	-	-	-	-	-	-

† Rates for May 14. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.
The exchange rates printed in this table are also available on the Internet at http://www.FT.com

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

May 15		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P Morgan index
Europe													
Austria	(Sch)	11.9532	-0.0161	512 - 552	11.9630	11.8760	11.9307	2.3	11.882	2.4	11.6332	2.7	102.9
Belgium	(BFr)	35.0600	-0.05	400 - 800	35.1770	34.8050	34.985	2.6	34.83	2.6	34.09	2.8	103.0
Denmark	(DKr)	6.4693	-0.0065	680 - 705	6.4785	6.4160	6.4575	2.2	6.4326	2.3	6.3208	2.3	105.0
Finland	(FM)	5.1374	+0.0089	336 - 411	5.1502	5.0758	5.1255	2.8	5.1011	2.8	4.9929	2.8	81.6
France	(FFr)	5.7207	-0.0086	197 - 217	5.7298	5.6770	5.709	2.4	5.6863	2.4	5.5712	2.6	105.6
Germany	(DM)	1.6983	-0.0023	980 - 985	1.7010	1.6855	1.6946	2.6	1.6869	2.7	1.65	2.8	104.1
Greece	(Dr)	271.195	-0.565	090 - 300	271.600	269.670	272.08	-3.9	273.62	-3.6	279.895	-3.2	64.8
Ireland	(I£)	1.5311	+0.0089	290 - 331	1.5348	1.5257	1.5304	0.5	1.5298	0.3	1.5266	0.3	-
Italy	(L)	1676.25	+1.82	570 - 680	1678.00	1662.31	1678.15	-1.4	1680.85	-1.1	1683.12	-0.4	76.1
Luxembourg	(LFr)	35.0600	-0.05	400 - 800	35.1770	34.8050	34.985	2.6	34.83	2.6	34.09	2.8	103.0
Netherlands	(Fl)	1.9093	-0.0037	080 - 085	1.9130	1.8952	1.9052	2.6	1.8966	2.7	1.8561	2.8	102.6
Norway	(NKr)	7.0653	+0.0198	623 - 683	7.0747	6.9485	7.048	2.8	7.0225	2.4	6.8968	2.4	97.8
Portugal	(Es)	171.275	+0.25	250 - 300	171.470	169.800	171.26	0.1	171.195	0.2	169.885	0.8	94.6
Spain	(Pta)	143.305	-0.305	260 - 350	143.500	142.260	143.305	0.0	143.228	0.2	141.97	0.8	77.5
Sweden	(SKr)	7.5939	-0.0122	909 - 968	7.6008	7.5458	7.5845	1.5	7.5639	1.6	7.4694	1.6	84.2
Switzerland	(SFr)	1.4343	-0.0062	340 - 346	1.4382	1.4230	1.4294	4.1	1.4197	4.1	1.374	4.2	104.2
UK	(£)	1.6404	-0.0001	399 - 408	1.6492	1.6370	1.6395	0.6	1.638	0.6	1.6321	0.5	99.0
Ecu	-	1.1486	+0.0022	482 - 489	1.1570	1.1470	1.1501	-1.5	1.1534	-1.7	1.171	-2.0	-
SDR	-	0.72159	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9999	+0.0001	998 - 999	0.9999	0.9998	-	-	-	-	-	-	-
Brazil	(R$)	1.0675	+0.0001	674 - 675	1.0780	1.0674	-	-	-	-	-	-	-
Canada	(C$)	1.3843	-0.0015	840 - 845	1.3901	1.3827	1.3814	2.6	1.3758	2.5	1.3568	2.0	84.0
Mexico	(New Peso)	7.9020	+0.012	970 - 070	7.9070	7.8960	8.0105	-15.5	8.212	-15.7	9.207	-16.5	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	103.9
Pacific/Middle East/Africa													
Australia	(A$)	1.2891	+0.0038	887 - 895	1.2895	1.2887	1.2895	-0.4	1.2896	-0.2	1.2886	0.0	98.1
Hong Kong	(HK$)	7.7377	+0.0018	372 - 382	7.7405	7.7360	7.7387	-0.2	7.7401	-0.1	7.7502	-0.2	-
India	(Rs)	35.8150	-0.015	900 - 400	35.8400	35.7900	35.905	-3.0	36.19	-4.2	33.995	3.1	-
Israel	(Shk)	3.3995	+0.0046	964 - 025	3.4025	3.3885	-	-	-	-	-	-	-
Japan	(Y)	116.100	-2.225	050 - 150	117.450	114.700	115.545	5.7	114.44	5.7	109.54	5.7	128.9
Malaysia	(M$)	2.4990	-0.0233	965 - 985	2.5215	2.4980	2.5013	-1.1	2.5054	-1.0	2.5223	-0.9	-
New Zealand	(NZ$)	1.4392	+0.0017	386 - 397	1.4397	1.4356	1.44	-0.7	1.4424	-0.9	1.4525	-0.9	-
Philippines	(Peso)	26.3790	+0.004	880 - 890	26.3890	26.3650	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7506	-	505 - 507	3.7507	3.7505	3.7508	-0.1	3.7513	-0.1	3.7542	-0.1	-
Singapore	(S$)	1.4342	-0.0016	337 - 347	1.4363	1.4316	1.4325	1.4	1.4284	1.6	1.4067	1.9	-
South Africa	(R)	4.4800	-0.002	785 - 815	4.4950	4.4770	4.5185	-10.6	4.597	-10.4	4.895	-9.3	-
South Korea	(Won)	891.500	-1	000 - 000	894.000	889.000	-	-	-	-	-	-	-
Taiwan	(T$)	27.7850	+0.02	600 - 100	27.8100	27.7540	27.7857	0.0	27.787	0.0	27.7913	0.0	-
Thailand	(Bt)	25.3000	-0.65	500 - 500	25.9100	25.2500	25.3613	-2.9	25.485	-2.9	26.055	-3.0	-

† SDR rate per $ for May 14. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices May 14: Base average 1990=100.
The exchange rates printed in this table are also available on the Internet at http://www.FT.com

WORLD INTEREST RATES

MONEY RATES

May 15	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	3 1/8	3 1/8	3 1/8	3 3/16	3 11/32	6.00	2.50	-
France	3 1/4	3 1/4	3 3/8	3 7/16	3 9/16	3.10	-	4.75
Germany	3 1/8	3 1/8	3 1/8	3 3/16	3 3/8	4.50	2.50	3.00
Ireland	6 1/8	6 1/8	6 1/8	6 1/8	6 1/4	-	-	6.75
Italy	7 1/8	6 27/32	6 23/32	6 21/32	6 1/2	8.25	6.75	6.88
Netherlands	3 1/8	3 3/16	3 3/16	3 1/4	3 3/8	-	3.00	3.30
Switzerland	1 1/8	1 1/8	1 5/16	1 5/16	1 9/16	-	1.00	-
US	5 3/8	5 1/2	5 3/4	5 7/8	6 1/4	-	5.00	-
Japan	1/2	1/2	9/16	17/32	11/16	-	0.50	-
■ $ LIBOR FT London								
Interbank Fixing	-	5 11/16	5 13/16	6	6 1/4	-	-	-
US Dollar CDs	-	5.50	5.61	5.72	5.89	-	-	-
ECU Linked Ds	-	4 1/32	4 3/16	4 1/8	4 7/16	-	-	-
SDR Linked Ds	-	3 1/2	3 5/8	3 3/4	3 15/16	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo Mitsubishi, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

May 15	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3 3/4 - 3 1/4	3 5/32 - 3 1/16	3 1/4 - 3 1/8	3 5/16 - 3 3/16	3 3/8 - 3 1/4	3 1/2 - 3 3/8
Danish Krone	3 1/2 - 3 13/32	3 9/16 - 3 1/2	3 9/16 - 3 7/16	3 5/8 - 3 1/2	3 25/32 - 3 21/32	3 31/32 - 3 27/32
German Mark	3 1/8 - 2 31/32	3 1/8 - 3	3 1/8 - 2 7/8	3 3/32 - 2 31/32	3 3/32 - 3	3 3/16 - 3 1/16
Dutch Guilder	3 5/16 - 3 1/4	3 3/8 - 3 1/8	3 3/16 - 3 1/16	3 7/32 - 3 3/32	3 9/32 - 3 5/32	3 15/32 - 3 11/32
French Franc	3 5/8 - 3 3/8	3 5/8 - 3 3/8	3 15/32 - 3 11/32	3 1/2 - 3 3/8	3 19/32 - 3 15/32	3 5/8 - 3 1/2
Portuguese Esc.	5 7/8 - 5 13/32	5 3/4 - 5 5/8	5 27/32 - 5 23/32	5 5/8 - 5 15/32	5 17/32 - 5 13/32	5 15/32 - 5 11/32
Spanish Peseta	5 5/8 - 5 1/2	5 9/16 - 5 13/32	5 19/32 - 5 15/32	5 9/16 - 5 7/16	5 15/32 - 5 1/4	5 3/8 - 5 5/16
Sterling	6 1/4 - 6 1/8	6 1/4 - 6 1/8	6 3/8 - 6 1/4	6 19/32 - 6 15/32	6 5/8 - 6 1/2	6 29/32 - 6 27/32
Swiss Franc	1 5/8 - 1 1/8	1 11/16 - 1 9/16	1 3/4 - 1 1/2	1 13/16 - 1 11/16	1 15/16 - 1 13/16	1 15/16 - 1 13/16
Canadian Dollar	3 1/4 - 2 7/8	3 1/4 - 2 29/32	3 1/8 - 3	3 5/16 - 3 1/4	3 21/32 - 3 17/32	4 1/8 - 4
US Dollar	5 9/16 - 5 7/16	5 5/8 - 5 1/2	5 21/32 - 5 9/16	5 13/16 - 5 11/16	5 15/16 - 5 13/16	6 7/32 - 6 3/32
Italian Lira	7 1/2 - 6 1/2	7 1/8 - 7	7 - 6 25/32	6 27/32 - 6 3/4	6 13/16 - 6 21/32	6 11/16 - 6 15/32
Japanese Yen	17/32 - 1/2	17/32 - 1/2	9/16 - 17/32	5/8 - 1/2	11/16 - 21/32	29/32 - 27/32
Asian $Sing	3 7/8 - 3 3/4	3 1/2 - 3 3/8	3 1/2 - 3 3/8	3 9/16 - 3 7/16	3 5/8 - 3 1/2	3 11/16 - 3 9/16

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris Interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.55	96.48	-0.07	96.55	96.45	36,476	47,564
Sep	96.59	96.53	-0.07	96.60	96.51	16,407	54,875
Dec	96.56	96.51	-0.05	96.56	96.49	8,550	35,126

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.81	96.80	-0.01	96.81	96.80	16324	229390
Sep	96.76	96.76	-	96.77	96.74	16984	208329
Dec	96.66	96.64	-0.01	96.66	96.60	36567	236795
Mar	96.56	96.52	-0.02	96.56	96.49	23633	195538

■ ONE MONTH EUROMARK FUTURES (LIFFE)* DM3m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
May	96.86	96.85	-	96.86	96.85	350	4069
Jun	96.83	96.83	-	96.83	96.83	100	1425
Jul	-	96.82	-	-	-	0	300
Aug	-	96.81	-	-	-	0	5

■ THREE MONTH EUROLIRA FUTURES (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	93.33	93.30	-0.03	93.35	93.26	24207	108705
Sep	93.66	93.63	-0.04	93.69	93.61	13767	88484
Dec	93.82	93.78	-0.03	93.83	93.76	8171	53218
Mar	93.86	93.85	-0.02	93.90	93.83	2715	34742

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	98.23	98.19	-0.01	98.23	98.18	3837	48476
Sep	98.23	98.17	-0.02	98.23	98.17	5829	39172
Dec	98.07	98.04	-0.02	98.08	98.03	2124	25378
Mar	97.96	97.94	-0.02	97.98	97.94	155	10335

■ THREE MONTH EUROYEN FUTURES (LIFFE) Y100m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	99.34	99.35	+0.02	99.34	99.34	200	n/a
Sep	99.15	99.13	-	99.15	99.15	210	n/a
Dec	-	98.92	-	-	-	0	n/a

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.85	95.82	-0.04	95.85	95.82	509	7218
Sep	95.85	95.82	-0.04	95.86	95.82	384	5886
Dec	95.80	95.79	-0.03	95.80	95.79	66	5629
Mar	95.72	95.71	-0.03	95.72	95.71	113	3325

* LIFFE futures also traded on APT

■ EUROLIRA OPTIONS (LIFFE) L1000m points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9325	0.15	0.51	0.69	0.10	0.13	0.18
9350	0.05	0.34	0.51	0.25	0.21	0.23
9375	0.01	0.19	0.36	0.48	0.31	0.33

Est. vol. total, Calls 2094 Puts 2581. Previous day's open int., Calls 158285 Puts 79257

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

May 15		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.45	16.32	4.844	1.863	4791	5.446	20.15	488.5	408.7	21.66	4.091	1.739	3.948	2.852	331.1	2.483
Denmark	(DKr)	54.19	10	8.843	2.625	1.010	2591	2.951	10.92	264.8	221.5	11.74	2.217	0.942	2.140	1.546	179.5	1.346
France	(FFr)	61.29	11.31	10	2.969	1.142	2930	3.338	12.35	296.4	250.5	13.27	2.507	1.066	2.420	1.748	202.9	1.522
Germany	(DM)	20.64	3.809	3.368	1	0.385	987.0	1.124	4.160	100.9	84.38	4.471	0.845	0.359	0.815	0.589	68.36	0.513
Ireland	(I£)	53.68	9.905	8.759	2.600	1	2567	2.923	10.82	262.2	219.4	11.63	2.196	0.933	2.120	1.531	177.8	1.333
Italy	(L)	2.092	0.386	0.341	0.101	0.039	100	0.114	0.422	10.22	8.548	0.453	0.086	0.036	0.083	0.060	6.926	0.052
Netherlands	(Fl)	18.36	3.388	2.996	0.889	0.342	877.9	1	3.700	89.71	75.06	3.977	0.751	0.318	0.725	0.524	60.81	0.456
Norway	(NKr)	49.62	9.156	8.097	2.404	0.924	2373	2.702	10	242.4	202.8	10.75	2.030	0.863	1.959	1.415	164.3	1.232
Portugal	(Es)	20.47	3.777	3.340	0.992	0.381	978.7	1.115	4.125	100	83.67	4.434	0.837	0.356	0.808	0.584	67.79	0.508
Spain	(Pta)	24.47	4.514	3.992	1.185	0.456	1170	1.332	4.930	119.5	100	5.299	1.001	0.425	0.966	0.698	81.02	0.608
Sweden	(SKr)	46.17	8.510	7.533	2.236	0.860	2207	2.514	9.304	225.5	188.7	10	1.889	0.803	1.823	1.317	152.9	1.146
Switzerland	(SFr)	24.44	4.510	3.989	1.184	0.455	1169	1.331	4.928	119.4	99.91	5.295	1	0.425	0.965	0.697	80.95	0.607
UK	(£)	57.51	10.61	9.384	2.786	1.071	2750	3.132	11.59	281.0	235.1	12.46	2.353	1	2.271	1.640	190.5	1.428
Canada	(C$)	25.33	4.673	4.133	1.227	0.472	1211	1.379	5.104	123.7	103.5	5.486	1.036	0.440	1	0.722	83.87	0.629
USA	($)	35.06	6.469	5.721	1.698	0.653	1676	1.909	7.065	171.3	143.3	7.594	1.434	0.610	1.384	1	116.1	0.871
Japan	(Y)	30.20	5.572	4.927	1.463	0.563	1444	1.645	6.086	147.5	123.4	6.541	1.235	0.525	1.192	0.861	100	0.750
Ecu	-	40.27	7.431	6.571	1.951	0.750	1925	2.193	8.115	196.7	164.6	8.722	1.647	0.700	1.590	1.148	133.4	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.5918	0.5912	-0.0007	0.5949	0.5908	21,373	78,328
Sep	0.5972	0.5950	-0.0009	0.5972	0.5945	210	3,638
Dec	-	0.5993	-	-	-	5	481

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.8583	0.8650	+0.0063	0.8760	0.8550	30,559	81,380
Sep	0.8677	0.8755	+0.0055	0.8810	0.8755	628	2,681
Dec	0.8830	0.8860	+0.0074	0.8935	0.8860	58	782

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.6988	0.6990	-	0.7042	0.6980	20,278	43,682
Sep	0.7100	0.7064	+0.0002	0.7116	0.7064	131	2,503
Dec	-	0.7105	-	0.7176	-	58	422

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	1.6464	1.6360	-0.0104	1.6480	1.6360	10,934	37,893
Sep	1.6410	1.6360	-0.0078	1.6418	1.6360	393	1,211
Dec	-	1.6310	-	-	1.6310	3	110

UK INTEREST RATES

LONDON MONEY RATES

May 15	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	7 - 2	6 3/8 - 6 1/16	6 3/8 - 6 1/4	6 1/2 - 6 3/8	6 11/16 - 6 9/16	6 15/16 - 6 13/16
Sterling CDs	-	-	6 5/16 - 6 1/4	6 3/8 - 6 5/16	6 1/2 - 6 7/16	6 29/32 - 6 25/32
Treasury Bills	-	-	6 3/32 - 6 1/32	6 13/32 - 6 5/16	-	-
Bank Bills	-	-	6 7/32 - 6 5/32	6 13/32 - 6 5/16	6 9/16 - 6 7/16	-
Local authority deps.	6 1/8 - 6	6 1/8 - 6	6 1/4 - 6 7/32	6 7/16 - 6 3/8	6 21/32 - 6 19/32	6 29/32 - 6 27/32
Discount Market deps	6 3/4 - 6	6 1/8 - 6	-	-	-	-

UK clearing bank base lending rate 6 1/4 per cent from May 6, 1997

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2 1/2	5 1/2	5	5	4 1/4

Certs of Tax dep. under £100,000 is 2 1/2pc. Deposits withdrawn for cash 1 1/4pc.
Ave. tender rate of discount on May 9, 6.1184pc. ECGD fixed rate Stlg. Export Finance. Make up day Apr 30, 1997. Agreed rate for period May 26, 1997 to Jun 24, 1997, Scheme III 7.71pc. Reference rate for period Mar 28, 1997 to Apr 30, 1997, Schemes IV & V 6.450pc. Finance House Base Rate 6 1/2pc from May 1, 1997

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	93.48	93.48	-	93.49	93.46	8339	116909
Sep	93.24	93.27	+0.02	93.28	93.23	13646	109632
Dec	93.06	93.10	+0.02	93.12	93.06	21799	95795
Mar	92.96	92.99	+0.01	93.00	92.94	10844	61060
Jun	92.91	92.92	-	92.93	92.87	5726	42977

Also traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9325	0.24	0.15	0.14	0.01	0.13	0.29
9350	0.04	0.05	0.06	0.06	0.28	0.46
9375	0	0.01	0.02	0.27	0.49	0.67

Est. vol. total, Calls 9838 Puts 4850. Previous day's open int., Calls 177443 Puts 169868

EMS EUROPEAN CURRENCY UNIT RATES

May 15	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Ireland	0.798709	0.754873	-0.002038	-5.51	8.04	37
Portugal	197.398	197.483	+0.51	0.04	2.04	-0
Spain	163.826	165.206	-0.178	0.84	1.23	-6
Finland	5.85424	5.92437	+0.02171	1.20	0.88	-8
Italy	1906.48	1931.77	+1.39	1.33	0.75	-10
Netherlands	2.18979	2.20101	-0.00256	1.44	0.64	-11
Denmark	7.34555	7.45541	-0.00384	1.50	0.58	-10
Germany	1.92573	1.95746	-0.00194	1.65	0.43	-16
Austria	13.5485	13.7770	-0.0142	1.69	0.39	-12
Belgium	39.7197	40.4011	-0.0405	1.72	0.36	-13
France	6.45863	6.59830	-0.00535	2.09	0.00	-18
NON ERM MEMBERS						
Greece	295.269	312.716	+0.158	5.91	-3.61	-
UK	0.793103	0.705226	+0.0039	-11.08	14.81	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. 17/9/92: Sterling suspended from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS May	CALLS Jun	CALLS Jul	PUTS May	PUTS Jun	PUTS Jul
1.630	1.50	2.17	2.63	0.13	0.91	1.45
1.640	0.76	1.63	2.12	0.37	1.30	1.89
1.650	0.31	1.13	1.68	0.86	1.83	2.43

Previous day's vol., Calls 258 Puts 815. Prev. day's open int., Calls 36,134 Puts 38,408

■ PHILADELPHIA SE D-MARK/$ OPTIONS DM62,500 ($ per DM)

Strike Price	CALLS May	CALLS Jun	CALLS Jul	PUTS May	PUTS Jun	PUTS Jul
0.585	0.46	0.88	1.18	0.06	0.37	0.53
0.590	0.15	0.59	0.87	0.24	0.57	0.74
0.595	0.04	0.35	0.63	0.60	0.86	1.02

Previous day's vol., Calls 425 Puts 687. Prev. day's open int., Calls 27,248 Puts 42,065

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	94.10	94.09	-	94.11	94.06	72,819	474,321
Sep	93.91	93.89	-	93.91	93.86	91,486	437,750
Dec	93.70	93.67	-0.03	93.71	93.64	122,889	333,194

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	-	94.71	-	94.71	94.71	250	5,846
Sep	94.51	94.48	-	94.51	94.48	161	4,557
Dec	-	94.50	-	-	-	-	-

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS May	CALLS Jun	CALLS Jul	CALLS Sep	PUTS May	PUTS Jun	PUTS Jul	PUTS Sep
9675	0.06	0.06	0.06	0.07	0	0.01	0.04	0.06
9700	0	0.01	0.01	0.01	0.20	0.21	0.26	0.25
9725	0	0	0	0	0.45	0.45	0.50	0.49

Est. vol. total, Calls 6210 Puts 11826. Previous day's open int., Calls 466046 Puts 275397

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9825	0.05	0.10	0.13	0.11	0.18	0.34
9850	0.01	0.03	0.05	0.32	0.36	0.51

Est. vol. total, Calls 1660 Puts 0. Previous day's open int., Calls 1675 Puts 1740

BASE LENDING RATES

	%		%		%
Adam & Company	6.25	Duncan Lawrie	6.25	●Singer & Friedlander	6.25
Allied Irish Bank (GB)	6.25	Exeter Bank Limited	7.25	●Smith & Williamson Secs	6.25
●Henry Ansbacher	6.25	Financial & Gen Bank	7.00	Scottish Widows Bank	6.00
Bank of Baroda	6.25	●Robert Fleming & Co	6.25	TSB	6.25
Banco Bilbao Vizcaya	6.25	●Guinness Mahon	6.25	United Bank of Kuwait	6.25
Bank of Cyprus	6.25	Habib Bank AG Zurich	6.25	Unity Trust Bank Plc	6.00
Bank of Ireland	6.25	●Hambros Bank	6.25	Western Trust	6.25
Bank of India	6.00	Heritable & Gen Inv Bk	6.25	Whiteaway Laidlaw	6.25
Bank of Scotland	6.25	C. Hoare & Co	6.25	Yorkshire Bank	6.00
Barclays Bank	6.25	Hongkong & Shanghai	6.25		
Brit Bk of Mid East	6.25	Investec Bank (UK) Ltd	6.25		
●Brown Shipley & Co Ltd	6.25	Julian Hodge Bank	6.25		
Citibank NA	6.25	●Leopold Joseph & Sons	6.25		
Clydesdale Bank	6.25	Lloyds Bank	6.25		
The Co-operative Bank	6.25	Midland Bank	6.25		
Coutts & Co	6.25	NatWestminster	6.25		
Cyprus Popular Bank	6.25	●Rea Brothers	6.25		
		Royal Bk of Scotland	6.25		

● Members of London Investment Banking Association
* In administration

KOREA LIBERALISATION FUND LIMITED

TO THE HOLDERS OF WARRANT IDRS

Your attention is drawn to your right to subscribe for Ordinary shares of US$0.01 each of KOREA LIBERALISATION FUND LIMITED ("the Company") and such right may be exercised in the manner set out below from 17th May 1997 to 13th June 1997. In order to exercise the subscription rights, your instruction should be accompanied by a payment equal to US$10.50 for each Ordinary share for which you are subscribing.

The following information may help you to decide whether or not to exercise the subscription rights this year. The middle market quotations from one of the independent market makers in the Company's Ordinary shares and Warrants were:

	Ordinary Shares of US$0.01 each US$	Warrants US$
2nd December 1996	5.75	0.75
2nd January 1997	5.37	0.75
3rd February 1997	4.85	0.75
3rd March 1997	4.38	0.63
1st April 1997	3.75	0.63
1st May 1997	4.13	0.63
6th May 1997	4.13	0.63

The new Ordinary shares resulting from subscription will be allotted not later than 29th June 1997. Such Ordinary shares will rank pari passu in all respects with the existing issued Ordinary shares of the Company except that they will not rank for any dividends or distributions in respect of the year ended 31st December 1996.

Application will be made to the Council of the London Stock Exchange for the Ordinary shares allotted pursuant to the exercise of the subscription rights to be admitted to the Official List not later than 29th June 1997.

Exercise of your subscription rights should not of itself result in any liability to Capital Gains Tax. A liability to Capital Gains Tax or Capital Transfer Tax may arise, however, if you subsequently dispose of, or nominate some other person to receive, the Ordinary shares arising from subscription. If you are in any doubt as to your tax position, you should consult your professional advisers.

If your subscription rights are not exercised on 13th June 1997 you will still have the right to exercise your subscription rights during the years 1998-2003 inclusive.

This notice is sent in accordance with the terms of the Warrant Deposit Agreement. It is not to be taken as a recommendation to holders of Warrants to exercise their subscription rights or otherwise.

By Order of the Board
Jupiter Asset Management Limited
Secretaries

Morgan Guaranty Trust Company of New York
Avenue des Arts 35,
1040 Brussels, BELGIUM

JP Morgan

NOTICE TO THE HOLDERS OF

Map Investment N.V.
(the "Issuer")
3% Participating Bonds
Due May 17, 1999 (the "Bonds")

The Issuer has declared and will pay U.S. $9,180,000.00 Participating Interest due and payable on May 19, 1997. The annualized percentage rate is equal to 3% and the amount of Participation Interest payable on U.S. $10,000 principal amount of the Bonds is $300.00.

U.S. Trust Company of California, N.A., as Trustee

May 12, 1997

Capital One Master Trust
U.S. $300,000,000
Floating Rate Class A Certificates, Series 1995-3

For the interest period 15th May, 1997 to 16th June, 1997 the Certificates will carry an interest rate of 5.7975% per annum with an amount of U.S. $51.53 payable per U.S. $10,000 denomination and U.S. $515.33 per U.S. $100,000 denomination, payable on 16th June, 1997.

Union Bank of Switzerland
London Branch Agent Bank
13th May, 1997

UBS

COMMODITIES AND AGRICULTURE

Kazakhstan in claim on Placer

By Kenneth Gooding, Mining Correspondent

Kazakhstan's government is claiming US$270m from Placer Dome because it says the Canadian group broke an agreement to develop Vasilkovskoye, one of the world's biggest gold deposits.

The government is responding to Placer Dome's demand that Kazakhstan repay a $35m refundable deposit paid in 1995 when it acquired the right to take a stake in Vasilkovskoye.

Kazakhstan damaged its reputation with the mining industry and the development bank community when it cut short a tender process involving several mining groups, investment bank Morgan Grenfell and the European Bank for Reconstruction and Development, and said it had done a deal with Placer Dome and its partner, Princess Resources.

But Placer pulled out in October 1995. The $35m refundable deposit was due for repayment by July 4 last year at the latest. Placer, Canada's second largest gold group, reported a net loss of US$65m for 1996.

Placer says Kazakhstan has acknowledged it owes the money but says it cannot afford to pay. In July a notice of default was delivered to the government and arbitration proceedings initiated by Placer Dome and PKL, the subsidiary through which it was to have taken the Vasilkovskoye stake.

The government has started separate arbitration proceedings, claiming damages arising from alleged breaches of agreement. It claims Placer Dome and PKL said they would spend $270m to develop a mine at Vasilkovskoye.

Placer is resisting the claim, saying it was mada clear in the original agreement that development of a mine would take place only after due diligence established the project would be economically viable. It believes "the resolution of the arbitration will not have a material adverse effect on our financial position or future results of operations."

The first hearing of the arbitrators, appointed under the rules of the United Nations Commission on International Trade and Law, was held last month. Placer suggests Kazakhstan's claim has slowed the process and it could take up to two years to complete.

This latest twist in the Vasilkovskoye saga will bring some wry smiles at other mining companies, particularly at Dominion Mining, the Australian company which believed it had exclusive negotiating rights to the project.

Dominion spent several million dollars exploring and proving reserves at Vasilkovskoye. Not only was the project snatched away from Dominion, but the government used its data when the project was put out to tender.

The recent front-runner to develop Vasilkovskoye was a consortium including Teck Corporation of Canada and First Dynasty, owned by Canadian mining entrepreneur Mr Robert Friedland.

However, in January the government rejected its offer and so far no other group has shown a public interest. Mr Norman Keevil, Teck president, said the fall in the gold price caused the government to pull back in the hope of getting better offers when the price improved.

Asarco copper forecast vindicated

By Kenneth Gooding

As the copper price on the London Metal Exchange yesterday reached its highest level for nearly a year, one of the metal's biggest bulls, Mr Richard Osborn, chairman of Asarco, the US mining group, explained why his company's forecasts had proved accurate at a time when most analysts were predicting a substantial copper surplus.

Asarco believes there will be a supply deficit of 53,000 short tons (2,000 pounds each) this year, following a deficit of 172,000 tons in 1996. In spite of the projected big increase in new capacity coming into production, it suggests the deficit will increase to 149,000 tons in 1998.

Western world copper (million tons)

	1996	1997	1998*
Production	[illegible]	[illegible]	[illegible]
Poland/CIS exports	850	861	915
China imports	[illegible]	[illegible]	[illegible]
Net other	(67)	(68)	(79)
Total supply	[illegible]	[illegible]	[illegible]
Consumption	(11,898)	(12,097)	(12,505)
Balance	[illegible]	[illegible]	[illegible]

*estimate. Source: Asarco

Mr Osborn, in London for meetings with investors, said other analysts were "blinded by prodnction". They tended to take at face value announcements about new capacity, but projects rarely started on time or at the predicted rate.

"It is a small industry. We keep track of changes. We get the supply side more accurately," he added. As for demand, Mr Osborn suggested said many analysts underestimated because they used historic average annual demand growth of 1-2 per cent. But the copper industry was spending $45m a year to promote use of the material "at grass roots level; with plumbers, with architects, teaching them how to use copper."

Asarco believed demand this year and next would grow at an annual 3.4 per cent and "to meet this extra demand, you need the equivalent of four world-class mines a year."

Mr Osborn dismissed the idea that China could control the market. China needed 800,000 tons of refined copper a year (which it might take in scrap or concentrate). "China is at an early stage of economic development and needs to keep the copper flowing but, of course, the Chinese will try to manage the market to their maximum benefit."

Fickle oil markets shrug off bad news

The past week has offared a compelling lesson on the fickle behaviour of the world's oil markets. Just as traders had settled into the seasonal spring rhythm of a steady slide in the face of growing supplies and bearish inventory data, oil prices suddenly shrugged off all the bad news and surged ahead towards the psychologically important $20 a barrel level.

The rally began last Thursday, when Brent Blend, the North Sea crude that serves as an international bellwether, added 55 cents a barrel to close at $18.69 on London's International Petroleum Exchange.

Within a few days Brent was nudging up to the $20 level.

A softening in prices over the past few days left it trading at around $19.50 a barrel late yesterday.

But traders and analysts are now asking whether the resilience shown over tha past week marks a fundamental turning point for the oil price, or whether it is just a stubborn upward blip on an otherwise steady downward trail.

"It's a sellers market rather than a buyers market," was the view of one oil company trader in London yesterday.

He pointed to the impact of fundamentals, such as the onset of the annual maintenance season in the North Sea. The associated production cutbacks have had a particularly bullish impact on sought-after crudes such as Brent and Forties.

"Peopla are asking: 'Can you promise me Forties in June?' All in all I'm positive about prices," he said.

His optimism also stems from the fact that persistent overproduction by members of the Organisation of Petroleum Exporting Countries appears to be finding a home. This is in spite of warnings from some analysts that a glut of Opec crude will create a huge overhang on the market.

"Everybody is talking about 27m barrels a day from Opec, but somebody is using those barrels rather than storing them."

Opec, however, yesterday claimed its average April output totalled just 25.61m barrels a day, only modestly above its production ceiling of a little over 25m b/d.

Mr Gary Ross of Pira, the New York-based industry consultants, thinks he knows where those elusive barrels are going. "A lot of oil is moving to markets that are not as visible as the established oil centres in the US and Europe," he says.

Last month 1m barrels a day moved from west Africa and tha North Sea to Asia. The long journey times to Asia compared with those to the US or Europe means a larger amount of oil is now in transit.

The difficulty of accurately assessing demand in fast developing markets could also be playing s part in the recent turnround.

Mr Peter Bogin of Cambridge Energy Research Associates in Paris believes forecasters may have to reassess historical demand data if prices do not weaken in the next few weeks. "The market is definitely more resilient than it appears on paper," he adds.

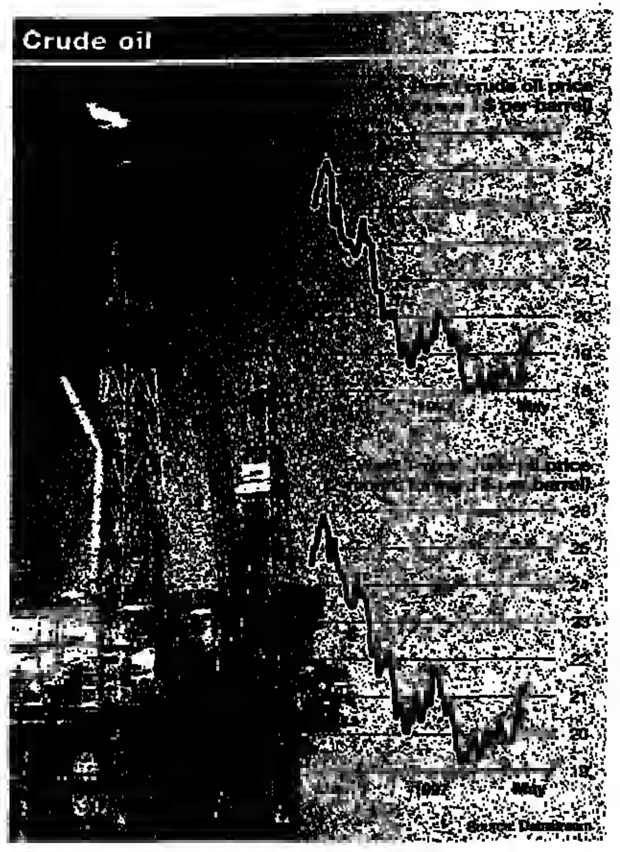
But some suspect that short-term, speculative factors, such as the behaviour of commodity and hedge funds, may be behind the latest rally. "Most funds were short in the market a month ago," said Mr Ross. "Now they're long."

The London oil company trader noted that if "funds are long in cash they may buy millions of barrels for no reason other than to find an investment."

Other factors could also affect prices in the next few weeks. Iraq's oil-for-food programme expires at the beginning of June. A roll-over is expected but not guaranteed. And Opec members meet towards the end of June to debate whether to modify their production policies.

Robert Corzine

Crude oil



Platinum metals lead fall in gold

MARKETS REPORT

By Kenneth Gooding

The gold market suffered a slight tremor yesterday on fears that Germany would sell some of the metal from its central bank holdings.

This was denied by the German finance minister but his ministry confirmed it was considering revaluing the country's gold reserves.

Gold was "fixed" in London yesterday afternoon at $346.40 a troy ounce, down $2.70 from the Wednesday afternoon "fix", but dealers suggested this fall was sparked by a drop in platinum and palladium prices.

"Gold is really marginalised, it's the PMGs [platinum group metals] that are capturing tha attention," one said.

Platinum fell in London by $2.30 an ounce to $393.75, while palladium was $2 down at $173.50.

London Metal Exchange prices burst upwards again, led by a strong rally in copper following news of another big drop in LME copper stocks, which have fallen by 7,275 tonnes so far this week to 146,075 tonnes.

Mr Richard Osborn, chairman of Asarco, the US copper prodncer, pointed out that global stocks were the equivalent of only 2¼ weeks consumption so "any disruption can cause the market problems."

Copper for delivery in three months on the LME reached its highest level since Sumitomo of Japan announced its huge copper trading losses last June and the following uncertainty caused prices to drop sharply. Copper yesterday peaked at $2,474 a tonne.

● The stocks data from the London Metal Exchange now appear daily in the prices section of the commodities page.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1628.5-29.5	1654-55
Previous	1628.5-9.5	1656-7
High/low		1675/1651
AM Official	1639-40	1665-65.5
Kerb close		1657-58
Open int.	278,961	
Total daily turnover	82,868	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1480-90	1510-15
Previous	1492-5	1515-18
High/low		1528/1513
AM Official	1493-98	1522-24
Kerb close		1510-15
Open int.	5,573	
Total daily turnover	1,338	

■ LEAD ($ per tonne)

Close	614.5-5.5	626-7
Previous	607-8	618-9
High/low	613	627/624
AM Official	612.5-3	623.5-4
Kerb close		626-7
Open int.	36,962	
Total daily turnover	5,074	

■ NICKEL ($ per tonne)

Close	7655-65	7770-75
Previous	7615-25	7730-35
High/low		7800/7750
AM Official	7710-15	7830-40
Kerb close		7775-80
Open int.	49,030	
Total daily turnover	15,715	

■ TIN ($ per tonne)

Close	5715-25	5760-70
Previous	5660-70	5710-20
High/low		5815/5750
AM Official	5750-55	5795-800
Kerb close		5760-70
Open int.	16,143	
Total daily turnover	4,868	

■ ZINC, special high grade ($ per tonne)

Close	1327-28	1346-47
Previous	1314.5-5.5	1332-3
High/low		1359/1341
AM Official	1338-39	1354-55
Kerb close		1344-45
Open int.	81,278	
Total daily turnover	33,054	

■ COPPER, grade A ($ per tonne)

Close	2553-58	2458-59
Previous	2471.5-3.5	2415-6
High/low	2542	2474/2429
AM Official	2542-43	2463-64
Kerb close		2463-64
Open int.	141,652	
Total daily turnover	81,615	

■ LME AM Official £/$ rate: 1.6404
LME Closing £/$ rate: 1.6400

Spot: 1.6391 3 mths: 1.6368 6 mths: 1.6342 9 mths: 1.6321

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
May	117.00	+3.00	117.40	114.25	592	2,374
Jun	117.00	+2.90	117.10	114.50	258	3,116
Jul	116.40	+2.60	117.10	113.70	5,890	29,748
Aug	114.00	+2.35	113.80	113.00	272	1,665
Sep	111.70	+1.80	112.20	110.50	824	5,847
Oct	110.10	+1.70	109.60	108.30	10	1,017
Total					7,984	68,573

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	346.40-346.90		
Opening	347.10-347.50		
Morning fix	348.10	211.35	496.46
Afternoon fix	346.40	211.08	498.74
Day's High	348.30-348.70		
Day's Low	345.60-346.00		
Previous close	348.10-348.60		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.90	6 months	4.84
2 months	4.90	12 months	4.76
3 months	4.87		

Silver Fix	p/troy oz.	US cts equiv.
Spot	294.45	483.50
3 months	298.60	489.55
6 months	302.80	495.75
1 year	311.80	509.25

Gold Coins	$ price	£ equiv.
Krugerrand	347-349	212-213
Maple Leaf	-	-
New Sovereign	81-84	49-51

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
May	347.4	+0.2	-	-	1	-
Jun	348.4	+0.2	349.8	346.7	19,844	63,130
Aug	351.2	+0.2	352.2	349.5	979	20,148
Oct	354.0	+0.2	354.0	352.5	41	8,724
Dec	356.8	+0.2	358.1	355.2	486	22,540
Feb	358.6	+0.2	-	-	10	4,691
Total					21,410	158,150

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Jul	393.9	+0.1	396.8	392.0	1,624	14,481
Oct	394.8	-	397.0	393.5	218	3,686
Jan	397.0	-	-	-	25	1,162
Apr	399.5	-	-	-	-	14
Total					1,867	19,343

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

May	176.25	-0.65	-	-	-	14
Jun	173.25	-0.65	174.00	172.00	1,005	6,193
Sep	170.45	-0.95	171.00	169.00	214	3,463
Dec	170.45	-0.95	170.00	170.00	14	393
Total					1,233	10,178

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

May	482.3	+2.1	482.5	482.0	30	117
Jul	485.8	+2.0	487.0	483.5	6,357	55,871
Sep	490.8	+2.1	492.0	489.0	231	5,550
Dec	498.1	+2.0	500.0	496.0	57	7,468
Jan	500.4	+2.0	-	-	1	17
Mar	505.8	+2.0	504.5	504.5	48	7,310
Total					6,735	84,932

ENERGY

■ CRUDE OIL NYMEX (1,000 barrels, $/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Jun	21.30	-0.09	21.48	21.18	45,231	57,179
Jul	21.26	-0.03	21.44	21.15	46,888	89,047
Aug	21.12	-0.04	21.30	21.03	10,735	38,069
Sep	21.02	-0.02	21.13	20.94	5,121	20,938
Oct	20.90	-0.04	21.07	20.82	2,899	15,731
Nov	20.82	-0.04	20.82	20.75	1,256	15,405
Total					119,444	401,368

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Jun	19.37	-0.14	19.60	19.33	5,090	12,541
Jul	19.46	-0.08	19.62	19.36	21,345	84,730
Aug	19.45	-0.05	19.62	19.38	6,886	25,789
Sep	19.45	-0.02	19.58	19.40	1,083	11,346
Oct	19.45	-	19.53	19.40	642	6,969
Nov	19.51	+0.07	19.51	19.51	10	5,942
Total					na	na

■ HEATING OIL NYMEX (42,000 US galls; c/US galls)

	Latest price	Day's change	High	Low	Vol	Open int
Jun	56.50	+0.08	56.95	55.90	12,940	29,209
Jul	56.70	+0.07	57.20	56.25	6,174	31,255
Aug	56.90	-0.13	57.35	56.85	1,543	16,897
Sep	57.55	-0.08	58.00	57.40	465	9,598
Oct	58.35	+0.07	58.40	58.10	288	8,244
Nov	58.90	-0.03	58.00	58.90	218	7,263
Total					23,018	137,180

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jun	172.00	+1.25	173.25	171.00	6,134	25,469
Jul	173.75	+1.75	174.75	172.50	3,377	9,927
Aug	175.75	+2.00	176.25	174.25	543	7,632
Sep	177.50	+2.00	177.75	176.25	253	3,435
Oct	179.25	+2.00	179.50	178.75	108	4,031
Nov	180.50	+2.00	181.00	180.75	39	1,657
Total					11,404	64,144

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu)

	Latest price	Day's change	High	Low	Vol	Open int
Jun	2.200	-0.076	2.300	2.160	15,827	33,413
Jul	2.215	-0.060	2.275	2.165	5,458	29,052
Aug	2.210	-0.055	2.265	2.200	2,575	18,772
Sep	2.190	-0.050	2.235	2.185	2,262	15,289
Oct	2.190	-0.047	2.232	2.185	2,526	17,690
Nov	2.290	-0.042	2.320	2.290	917	7,895
Total					34,056	206,633

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Jun	64.15	-0.23	64.50	63.75	18,356	40,140
Jul	63.15	-0.21	63.40	62.90	8,560	27,405
Aug	62.10	-0.26	62.40	62.00	2,167	9,841
Sep	61.10	-0.18	61.30	60.80	957	3,618
Oct	59.30	+0.03	59.30	59.30	125	3,194
Nov	58.52	-	-	-	42	1,836
Total					30,274	92,375

GRAINS AND OIL SEEDS

■ WHEAT LIFFE (100 tonnes; £ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	89.65	+0.25	90.00	89.50	21	146
Jul	91.50	-	92.00	91.50	242	2,014
Sep	92.00	-0.75	93.00	92.00	45	72
Nov	94.00	-0.75	95.10	94.00	317	3,691
Jan	96.00	-0.75	97.00	96.00	88	1,517
Mar	98.00	-0.75	98.75	98.00	30	725
Total					818	8,428

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

May	383.00	-	389.00	383.50	37	122
Jul	388.50	+1.50	395.00	385.50	19,232	52,343
Sep	395.00	+1.00	401.50	393.50	1,984	12,737
Dec	407.25	+1.00	413.00	404.50	2,423	16,886
Mar	409.00	+2.00	413.50	407.75	112	1,178
May	391.00	+1.00	-	-	2	16
Total					23,823	83,574

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

May	284.75	-1.00	286.50	284.25	5,479	3,675
Jul	281.75	-1.75	284.00	281.25	35,732	125,815
Sep	267.25	-0.50	269.00	266.75	4,361	27,597
Dec	265.25	-0.50	267.00	264.50	17,701	110,534
Mar	270.75	-1.00	272.75	270.00	606	12,217
May	274.25	-1.50	276.00	274.25	66	1,165
Total					64,179	287,007

■ BARLEY LIFFE (100 tonnes; £ per tonne)

May	88.00	-1.00	-	-	-	46
Sep	89.00	-0.50	89.50	89.50	1	28
Nov	91.00	-0.50	91.80	91.80	52	981
Jan	93.00	-0.50	93.50	93.50	1	119
Mar	95.00	-0.50	-	-	-	-
May	97.00	-0.50	-	-	-	-
Total					54	1,154

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

May	862.00	-7.00	870.00	858.50	915	2,183
Jul	857.75	-8.25	866.50	854.00	50,937	99,897
Aug	826.50	-8.25	835.00	824.00	4,535	20,491
Sep	748.75	-1.00	753.50	747.00	1,355	8,768
Nov	705.50	+1.00	708.50	700.50	10,330	48,755
Jan	709.50	-0.25	712.00	708.00	681	3,574
Total					69,147	185,703

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

May	23.65	+0.12	23.75	23.60	970	1,318
Jul	23.88	-	24.04	23.86	22,457	49,305
Aug	24.05	-0.03	24.22	24.05	1,652	14,278
Sep	24.16	-0.03	24.36	24.16	932	8,313
Oct	24.25	-0.02	24.38	24.25	487	8,638
Dec	24.49	-0.05	24.68	24.48	4,027	17,613
Total					30,667	100,384

■ SOYABEAN MEAL CBT (100 tons; $/ton)

May	300.3	-2.1	302.3	298.0	3,055	4,293
Jul	286.7	-2.2	289.4	283.5	17,883	51,627
Aug	271.9	-2.2	275.0	269.5	2,939	15,845
Sep	255.0	-	256.0	252.7	922	9,417
Oct	236.0	+0.2	237.0	235.5	423	9,674
Dec	228.5	+1.3	229.5	227.0	2,847	19,355
Total					28,397	113,487

■ POTATOES LIFFE (20 tonnes; £ per tonne)

Jun	30.0	-	-	-	-	-
Nov	57.5	-1.0	-	-	-	11
Mar	107.0	-	-	-	-	-
Apr	111.0	-7.0	115.0	111.0	54	1,247
May	126.0	-	-	-	-	-
Total					54	1,258

■ FREIGHT (BIFFEX) LIFFE ($10/index point)

May	1260	-10	1260	1270	81	567
Jun	1225	-20	1230	1220	36	383
Jul	1150	-15	1155	1145	38	1,071
Oct	1325	-5	1320	1315	28	490
Jan	1345	-	-	-	-	57
Apr	1380	-	-	-	-	-
Total					183	2,568

	Close	Prev
BFI	1261	1261

FUTURES DATA
All futures data supplied by CMS.

Wool
Much of the ground lost in the Australian market last week was regained this week. The eastern market indicator, the main week-to-week guide, ended at 675 Australian cents a kg, 15 cents up, after falling 18 cents the week before. Finer merinos, in the 18 to 21 micron range, have throughout provided most of the action, where broader merinos and fine crossbreds stayed fairly steady. there was no test of New Zealand crossbred at auction this week, but British wool was sold at a predominantly Scottish offering in Bradford, and there was better demand than recently experienced. Prices lifted a little for some types, but in others demand was only attracted at a lower level. There is little sign of an all-round recovery of significant strength, though there is also general confidence in the overall upward trend.

SOFTS

■ COCOA LIFFE (10 tonnes; £/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	1002	+22	982	982	10	67
Jul	1018	+21	1018	997	1,073	30,560
Sep	1036	+21	1035	1014	736	14,575
Dec	1029	+21	1030	1009	1,160	29,255
Mar	1038	+21	1039	1020	1,111	30,424
May	1048	+20	1047	1030	567	15,570
Total					4,713	140,783

■ COCOA CSCE (10 tonnes; $/tonnes)

Jul	1481	+59	1483	1423	3,445	30,743
Sep	1507	+54	1508	1452	574	13,350
Dec	1537	+53	1537	1484	219	17,911
Mar	1561	+53	1548	1508	29	20,650
May	1583	+57	-	-	61	8,807
Jul	1603	+57	-	-	11	450
Total					4,331	93,405

■ COCOA (ICCO) (SDR's/tonne)

May 14	Price	Prev. day
Daily	1119.22	1124.76

■ COFFEE LIFFE (5 tonnes; $/tonne)

May	1873	+63	1875	1803	40	660
Jul	1933	+63	1940	1860	5,000	26,251
Sep	1953	+65	1959	1880	1,955	14,061
Nov	1950	+60	1955	1880	601	5,495
Jan	1928	+63	1885	1860	73	2,281
Mar	1900	+60	1880	1855	42	286
Total					7,873	48,837

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

May	277.05	+15.55	279.00	260.00	66	222
Jul	255.20	+14.60	262.00	238.00	7,900	15,902
Sep	227.15	+11.65	233.00	213.00	3,103	7,468
Dec	202.20	+10.25	197.95	189.50	1,222	4,731
Mar	187.20	+9.55	183.65	176.00	317	1,987
May	176.70	+6.70	176.00	170.00	22	304
Total					12,649	30,802

■ COFFEE (ICO) (US cents/pound)

May 14		Prev. day
Comp. daily	176.66	175.54
15 day average	160.72	158.65

■ WHITE SUGAR LIFFE (50 tonnes; $/tonne)

Aug	318.0	+0.1	318.8	316.8	1,559	11,661
Oct	307.7	-	308.6	307.4	418	6,243
Dec	305.8	+0.2	306.5	305.5	194	1,681
Mar	305.3	+0.5	305.9	305.0	20	1,492
May	304.8	+1.1	-	-	-	683
Aug	304.5	+0.7	304.5	304.8	10	303
Total					2,217	22,243

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Jul	11.01	-0.04	11.08	10.98	7,366	74,720
Oct	10.81	-0.04	10.88	10.80	3,032	41,013
Mar	10.74	-0.02	10.77	10.72	888	24,181
May	10.65	-0.03	-	-	167	5,901
Jul	10.59	-0.03	-	-	39	2,600
Oct	10.52	-0.03	-	-	-	562
Total					11,527	149,367

■ COTTON NYCE (50,000lbs; cents/lbs)

Jul	73.18	+0.86	73.20	72.60	2,645	38,090
Oct	74.45	+0.74	74.50	73.95	270	3,522
Dec	75.10	+0.55	75.20	74.75	897	25,279
Mar	76.40	+0.60	76.40	76.05	53	3,524
May	76.99	+0.49	-	-	1	911
Jul	77.37	+0.47	-	-	-	313
Total					3,918	73,417

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Jul	81.90	+1.40	84.35	80.50	1,429	16,868
Sep	83.80	+1.00	86.00	82.80	182	6,501
Nov	86.00	+1.20	87.50	85.00	47	3,228
Jan	88.25	+1.20	89.50	87.50	61	1,552
Mar	90.50	+1.20	92.30	92.00	3	974
May	92.75	+1.20	92.60	92.50	5	217
Total					1,742	29,398

VOLUME DATA
Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open Interest totals are for all traded months.

INDICES

■ Reuters (Base: 18/9/31 = 100)

May 15	May 14	month ago	year ago
1997.4	1991.3	1946.0	2151.2

■ CRB Futures (Base: 1967 = 100)

May 14	May 13	month ago	year ago
251.38	251.30		

■ GSCI Spot (Base: 1970 = 100)

May 14	May 13	month ago	year ago
199.87	199.82	191.78	210.74

LME WAREHOUSE STOCKS (tonnes)

Aluminium	-3,750	to	785,675
Aluminium alloy	-	to	63,460
Copper	3,225	to	146,075
Lead	+1,450	to	118,150
Nickel	-342	to	50,466
Zinc	-1,100	to	425,400
Tin	+90	to	11,535

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Jun	65.500	+0.050	65.680	65.250	6,503	32,602
Aug	65.400	-	65.500	65.150	4,248	34,530
Oct	68.075	+0.125	69.125	68.825	1,053	16,626
Dec	70.975	+0.150	71.000	70.700	454	9,358
Feb	71.225	+0.150	71.250	71.075	176	5,096
Apr	72.825	+0.075	72.950	72.775	50	1,578
Total					12,484	98,788

■ LEAN HOGS CME (40,000lbs; cents/lbs)

Jun	82.325	-1.150	83.550	82.250	5,602	16,041
Jul	83.525	-0.600	84.400	83.475	3,869	9,610
Aug	81.000	-0.575	81.975	80.950	1,940	7,323
Oct	73.925	-0.750	74.650	73.850	857	5,378
Dec	71.700	-0.400	72.075	71.500	357	3,578
Feb	70.125	-0.300	70.600	70.025	126	1,402
Total					12,792	44,407

■ PORK BELLIES CME (40,000lbs; cents/lbs)

May	90.200	+2.825	90.325	87.325	65	356
Jul	92.025	+3.000	92.025	88.750	2,875	6,810
Aug	90.825	+3.000	90.825	88.150	338	1,704
Feb	75.075	+0.525	70.550	74.750	38	352
Mar	74.300	+0.900	75.000	-	1	10
Total					3,317	9,238

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

■ ALUMINIUM (99.7%) LME	Jun	Sep	Jun	Sep
1600	56	96	5	29
1700	6	43	61	75
1800	-	15	153	146
■ COPPER (Grade A) LME	Jun	Sep	Jun	Sep
2300	250	169	1	45
2400	157	110	8	84
2500	80	66	31	139
■ COFFEE LIFFE	Jul	Sep	Jul	Sep
1850	146	236	63	133
1900	116	210	85	157
1950	94	186	111	183
■ COCOA LIFFE	Jul	Sep	Jul	Sep
1000	43	73	25	37
1025	30	59	37	48
1050	20	47	52	61
■ BRENT CRUDE IPE	Jun	Jul	Jun	Jul
1900	-	-	-	-
1950	57	77	35	-
2000	35	-	-	-

LONDON SPOT MARKETS

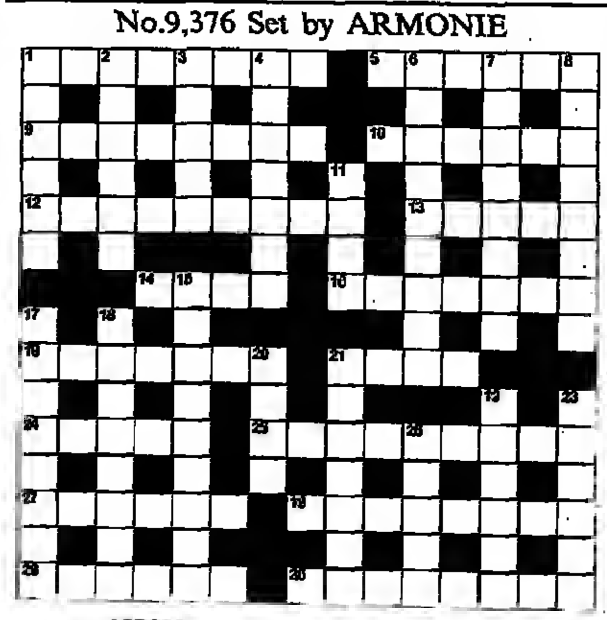
■ CRUDE OIL FOB (per barrel)		+or-
Dubai	$18.62-8.72	+0.415
Brent Blend (dated)	$19.15-9.17	+0.09
Brent Blend (Jun)	$19.40-9.42	+0.10
W.T.I.	$21.30-1.35z	+0.42
■ OIL PRODUCTS NWE prompt delivery CIF (tonne)		
Premium Gasoline	$212-214	+2
Gas Oil	$176-177	+0.5
Heavy Fuel Oil	$81-83	+1
Naphtha	$161-163	+2
Jet fuel	$181-192	+1.5
Diesel	$183-184	+1.5
■ NATURAL GAS (Pence/therm)		
Bacton (Jun)	10.6-11.2	-0.50
Petroleum Argus. Tel. London (0171) 359 8792		
IPE (Jun)	11.070	-0.510
■ OTHER		
Gold (per troy oz)‡	$346.65	-1.70
Silver (per troy oz)‡	486.00c	+1.00
Platinum (per troy oz.)	$393.50	-0.50
Palladium (per troy oz.)	$172.65	-1.65
Copper	119.0c	
Lead (US prod.)	45.00c	
Tin (Kuala Lumpur)	14.19r	
Tin (New York)	267.5	
Cattle (live weight)	89.90p	-1.21*
Sheep (live weight)	145.23p	+2.93*
Pigs (live weight)†	108.58p	+2.45*
Lon. day sugar (raw)	$271.70	-1.80
Lon. day sugar (wte)	$322.80	+0.30
Barley (Eng. feed)	Unq	
Maize (US No3 Yellow)	£109.00	
Wheat (US Dark North)	Unq	
Rubber (Jun)¥	72.00p	+1.00
Rubber (Jul)¥	72.00p	+1.00
Rubber (KL RSS No1)	275.5x	+3.0
Coconut Oil (Phil)§	682.5y	-2.5
Palm Oil (Malay.)§	555.0z	-5.0
Copra (Phil)§	$432.5y	
Soyabeans (US)	224.0	
Cotton Outlook'A' Index	79.25c	
Wooltops (64s Super)	410p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. w May y May/Jun¥ z Jun London Physical. § CIF Rotterdam. ‡ Bullion market close. * Change on week. †Based on 2,321 head of pigs sold.

JOTTER PAD

CROSSWORD

No.9,376 Set by ARMONIE



ACROSS
1 Shelter in sacred surroundings in good faith (8)
5 Bravery could be a grind (6)
9 Game allowed during the journey (8)
10 Prevailing law, acceptable to gangster (6)
12 Direct one in drink to get protective coat (4,5)
13 Increase one form of insecticide with oxygen (3,2)
14 Consider academician's note (4)
16 A target designed for a sporting event (7)
19 Experienced leader reclined, taking a bit of gunfire. That's smart! (7)
21 Lead astray in depression (4)
24 It is not commonly a defect (5)
25 Blow for Tory given Home Office approval (5,4)
27 In June Venetian weather is erratic (6)
28 Bow before model that is divine (8)
29 Eastern government's assets (6)
30 It's hard, being surrounded by insects, for a large beast (8)

DOWN
1 Writer catches coin but only just (6)
2 It's nothing having one instead of hot sweet confection (6)
3 Keen to support Saturday lottery (5)
4 Greek infiltrating the French network (7)
6 A heartless rebel welcomes revolution in foreign port (9)
7 Bury poor Aunt Enid (8)
8 Happy accepting permit in Scotland (8)
11 Celebrity switches allegiance, being upset (4)
15 A tenant initially receives some people in the rooms (9)
17 The others smoke in relaxing therapy (4-4)
18 Delighted to accept coin for deposit (8)
20 Nitrate, initially found at bottom of salt lake (4)
21 Go so red after ordering a flower (3,4)
22 A covering lifted on to a vegetable (6)
23 Drawing a small boat (6)
26 Subject matter for article on setter (5)

Solution 9,375

هكذا من الأصل

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BERMUDA (SIB RECOGNISED)

BERMUDA (REGULATED)(**)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

Offshore Funds and Insurances

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LUXEMBOURG (SIB RECOGNISED)

[illegible]

LUXEMBOURG (REGULATED)(**)

[illegible]

OFFSHORE INSURANCES

[illegible]

هكذا من الأصل

FT MANAGED FUNDS SERVICE

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Old Mutual International (Ireland) Ltd

PO Box 121, St Peter Port, Guernsey

Alpha Fund Management Ltd

Apax Bank & Trust Company

Arawis Capital Advisers LLC

Arc Investment Company Ltd

Arnhold and S. Bleichroeder, Inc

Asia Pacific Capital Strategies Fund

Old Mutual International (Isle of Man) Ltd

Victory Hse, Prospect Hill, Douglas, IoM

PanEuroLife societe anonyme

OTHER OFFSHORE FUNDS

Global Asset Management - Contd.

Jardine Fleming Unit Trusts Ltd - Contd.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
Allied Domecq	♣	459½	+2	553	407½	4,789	6.6	13.5
Bulmer (HP)	♣†	535	+2½	625	477	282.5	3.2	15.9
Burn St Dist	♣	60½xd	—	131	57½	34.7	7.3	14.6
Glenmorangie A	♣	945	—	1040	615	128.5	1.5	25.7
B		1065	-5	1140	868	42.6	0.7	28.0
Grand Met	♣†	564½	-2½	613	411½	11,768	3.8	17.9
Guinness	♣†	509½xd	-6	615	424	10,718	3.8	16.2
Highland	♣†	332½xd	—	359	320	403.2	3.2	15.6
5¼pc Cnv Bds		[illegible]	—	101½	89¼	-	-	-
Kirin Y		602½	+9	[illegible]	[illegible]	[illegible]	1.0	-
Matthew Clark	♣	284½	-3	583	255½	204.1	11.3	12.6
Merrydown	♣†	72½	-3	147	72½	7.98	7.9	9.8
Seagram C$		523¼	-1¼	525¼	520¼	6,516	1.3	-

BANKS, RETAIL

BREWERIES, PUBS & REST

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

CHEMICALS - Cont.

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ENGINEERING

ENGINEERING - Cont.

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

EXTRACTIVE INDUSTRIES - Cont.

FOOD PRODUCERS

GAS DISTRIBUTION

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
BG	♣	187½xd	+6	190½	134	8,317	9.7	18.4
Centrica		63½	-1	77½	55	2,827	-	-
International Energy	♣	98xd	—	100	84½	54.1	6.6	11.8

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INSURANCE - Cont.

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INV TRUSTS SPLIT CAPITAL

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

LEISURE & HOTELS

LIFE ASSURANCE

MEDIA

MEDIA - Cont.

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

PAPER, PACKAGING & PRINTING

PHARMACEUTICALS

PHARMACEUTICALS - Cont.

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SUPPORT SERVICES

SUPPORT SERVICES - Cont.

TELECOMMUNICATIONS

TEXTILES & APPAREL

TEXTILES & APPAREL - Cont.

TOBACCO

TRANSPORT

WATER

AIM

AIM - Cont.

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind R		825		*931½	£20½	1,915	3.0	ф
Barlow	‡	585	-7½	899	£5½	1,363	2.2	14.1
Gold Flds Prop R	†	137½	-½	171½	130	14.9	6.4	10.3
SA Brews		£17½	-½	£24½	£13½	4,182	2.2	ф
Standard Bank		£29½	-½	£31½	£21	3,504	1.2	26.3
Tiger Oats	†	1045		1150	770	1,572	1.8	19.7
Tongaat-Hulett		754½	-3½	1125	676½	792.3	2.6	ф

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service are delivered by Extel, part of Financial Times Information.

Company classifications are based on those used for the FTSE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices over a rolling 52 week period.

Where stocks are denominated in currencies other than sterling, this is indicated after the name. Prices shown for some of these foreign securities are converted into sterling from latest available local Stock Exchange prices.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IIMR 'Headline Earnings' formats.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- * Highs and lows marked thus have been adjusted to allow for capital changes
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ф Figures or report awaited
- ♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ‡‡ Rule 4.2(a) Irish incorporated non-listed companies.
- ‖ Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue
- ◆ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ф Unregulated collective investment scheme.

a Yield based on annualised dividend. b Figures based on prospectus or other official estimates. g Assumed dividend yield after rights issue. h Yield, p/e ratio based on latest annual earnings. e Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings. z Dividend yield includes a special payment.

F Yield based on prospectus or other official estimates for 1996-97. G Assumed yield after pending scrip and/or rights issue. H Yield, p/e based on latest annual earnings. M Yield based on prospectus or other official estimates for 1997-98. Q Dividend is paid in whole or part as a

FID (Foreign Income Dividend). Q Forecast annualised yield, p/e based on prospectus or other official estimates. W Pro forma figures.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution

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LONDON STOCK EXCHANGE

Footsie falls again as May rally peters out

MARKETS REPORT

By Philip Coggan, Markets Editor

Shares in London suffered their second decline in a row but the market's resilience was demonstrated when the FTSE 100 index recovered much of its losses in the afternoon session.

Trading activity was dominated by the placing of part of the Kuwait Investment Office's stake in British Petroleum, which Goldman Sachs carried out in New York and London. Volume pushed over the 1bn share mark, at 1.09bn, by the 6pm count.

There were signs that the market wanted to take a breather after the 11-day rally which took Footsie to repeated all-time highs. Some investors may well want to see how the first Labour Budget hits the corporate sector.

Wall Street's disappointing finish on Wednesday, and the effect of the BP placing, set the market off to a bad start, with Footsie opening 22.2 lower at 4,664.7.

The main domestic news was the UK retail prices numbers, with underlying inflation hitting the government's target of 2.5 per ceot a year for the first time since December 1994. There was some concern that service sector inflation continued to be strong, with Mr Adam Cole, UK economist at HSBC James Capel, pointing out that the annual rise in the price of services reached its highest level since February 1994.

However, Mr Michael Saunders, UK economist at Salomon Brothers, said that "underlying inflation is likely to trend lower over the rest of the year, dropping to about 2 per cent (or possibly even slightly lower) by the year end".

The inflation data failed to lift the market's spirits and Footsie, along with gilts, stayed in negative territory for much of the morning. The effect of the GrandMet-Guinness merger, which raised takeover hopes across the market at the start of the week, seemed to be fading.

A mixed set of US economic statistics initially sent Footsie to its low for the day of 4,654.4 but Wall Street quickly rallied from an opening loss. The Dow Jones Industrial Average was five points ahead when London closed. That allowed shares in London to steadily recover and Footsie closed 5.7 lower at 4,681.2, while the FTSE 250 index dropped 7.4 to 4,521.9 and the SmallCap 2.0 to 2,314.8.

Shares have risen much more quickly than most analysts were expecting at the start of the year. Mr Brian Marber, the technical analyst, thinks that the "the 1995-97 bull market is alive and well but Footsie is in terminal blow-off mode".

Mr Mark Brown, head of strategy and economics at ABN Amro Hoare Govett, points out that the real yield gap has turned negative, with the dividend yield on the FTSE All-Share index falling below the real yield on the index-linked gilts. "That may be proving a bit of a barrier to equities," he says.

Mr Brown raised his end-year Footsis target from 4,000 to 4,500 on the day the chancellor gave the Bank of England the right to set interest rates. But he says, while the equity market has been re-rated, "this is really an environment for gilts, not shares".

Indices and ratios

FTSE 100	4681.2	-5.7	FT 30	3013.6	-3.7
FTSE 250	4521.9	-7.4	FTSE Non-Fins p/e	18.84	18.92
FTSE 350	2266.7	-3.0	FTSE100 Fut Jun	4695.0	-12.0
FTSE All-Share	2225.99	-2.80	10 yr Gilt yield	6.99	6.98
FTSE All-Share yield	3.47	3.45	Long gilt/equity yld ratio	2.03	2.04

Best performing sectors

1 Gas Distribution .... +2.0
2 Pharmaceuticals .... +1.5
3 Diversified Inds .... +0.8
4 Extractive Inds .... +0.7
5 Consumer Goods .... +0.7

Worst performing sectors

1 Engineering: Vehicles .... -1.4
2 Paper: Pckg & Print .... -1.2
3 Electronic & Elec .... -1.1
4 Retailers: General .... -1.1
5 Other Financial .... -1.1

City applauds BP deal

By Peter John and Joel Kibazo

British Petrolenm dominated the day's turnover in London with the world's biggest ever bought deal prompting volume of 186m shares.

Goldman Sachs carried out the business after a tightly fought battle between a clutch of leading brokers aod consequently took £1.22bn of risk on to the book. The deal is believed to have netted the US brokerage a cool £9.3m profit.

London and New York were used to dispose of a 3 per cent stake held by the Kuwait Investment Office, which oow retains 6.3 per cent.

The deal was conceived by Schroders, KIO's advisers, which managed to keep such a tight lid on the information that BP's share price remained stable in earlier UK and US trading.

Schroders contacted several brokers 10 minutes after the London market closed on Wednesday and invited bids. Goldman is believed to have competed against a joint tender from Salomon Brothers and Dresdner Kleinwort Benson, plus another bid from a fourth broker, possibly UBS.

Dealers said Goldman offered the most competitive price of 710½p a share and contacted big institutions to sound out interest. It took on 170m shares and sold 70m in the UK at 716p. It offloaded 100m in the US.

It is believed that, because of the big discount to the underlying share price, the appetite was so great that several buyers only received half the shares asked for.

The market had only praise for the transaction. One trader said: "This is the art of stockbroking at its finest. You have to be very cynical to think it was anything other than a great deal."

However, some brokers were left feeling more than slightly hurt at being left out of the party, particularly SBC Warburg. Not only is Warburg ooe of BP's brokers, along with NatWest and ABN Amro Hoare Govett, it also carried out the last big bought deal in the stock.

In December 1995, it raised £518m through the sale of the UK government's remaining 1.8 per cent stake in BP – 101m shares.

By the close of trading, with the stake placed, the underlying shares had fallen 20 to 724½p.

News of a £1bn order for the European Airbus consortium had been expected to propel the shares of British Aerospace sharply ahead. But it was offset by fears about the future of the Eurofighter project.

The deal is for 30 airliners for China. Airbus will supply 10 A320 and 20 A321 jets. BAe not only builds the wings of the Airbus aircraft but also holds a 20 per cent stake in the consortium. Airbus airliners account for about 15 per cent of China's market and specialists said this could be the first of many such orders.

However, sentiment in the stock was depressed by oews of an DM18bn shortfall in the German government's tax revenne. Dealers took this to be another signal that the European Fighter Aircraft (EFA), on which BAe is a major supplier, may not get the go-ahead from the German government. Optimists had expected a favourable announcement at next month's Paris air show.

Shares in BAe closed 7 down at £12.86½p, having traded 2.3m. Several other stocks were also weakeoed by the speculation concerning EFA. They included GEC, another supplier to the project. The shares eased 5 to 360p, in busy trade of 8.7m, while those of Smiths Industries gave up 5¼ to 770p, in spite of an upbeat presentation yesterday.

Engineering group GKN fell 28¾ to 935¼p, as analysts moved to downgrade profit expectations following the publication of a trading statement at its annual meeting.

While the company said profits in the first four mooths of the year were ahead of a comparable period last year, the market was disappointed by news of "an adverse currency translation impact of rather more than £10m." The figure was much higher than many analysts had provided for in their calculations. Several downgraded current year estimates by £15m to a new consensus of £370m.

Rentokil Initial was squeezed up 20¼ to 449½p in technical trading, making it the day's best performer in the FTSE 100.

Clothes retailer Burton fell after the market was disappointed by its current trading update, delivered with interim figures in line with forecasts. Burton said sales for the first 10 weeks of the second half were 11 per cent ahead of tha same time last year. Excluding home shopping, sales for the period were up 6.8 per cent.

However, lower-than-predicted growth in margins triggered a slide and the shares closed 9 off at 145p.

Figures drove BG and Mercury Asset Management in different directions. BG, the demerged pipeline, exploration and production arm of the old British Gas, lifted 6 to 187½p as it announced a £40m operating profit at the E & P division, against a £7m loss in the first quarter of last year.

However, MAM lost 69½ to £13.72p despite full-year figures in line with forecasts. The company said shareholders could not necessarily expect past growth rates to be sustained.

HSBC shed 31½ to £17.22p in the HK$-denominated stock. The SEAQ electronic ticker showed a line of 1.2m shares traded at £17.09p a share, well below the underlying price at the time but worth more than £20m nevertheless.

Building group Amec was heavily traded after Kvaerner, the Anglo-Norwegian company, placed its 52.8m share stake in the market at 140p, netting a £22m profit. Amec rose 5 to 146½p.

Glaxo Wellcome rose 30 to £12.81½p after receiving US approval for its anti-smoking drug, Zyban, which some analysts believe could net sales of $500m a year.

Phytopharm improved 11 to 143½p. The company announced a joint venture with Phytochemindo of Indonesia.

Mirror Group added 4½ at 220½p in response to a buy note from Panmure Gordon.

Pearson set some nerves jangling as the share price fell quickly shortly before the close. Pearson, which owns the Financial Times, closed 20 off at 702½p but analysts had not picked up any fundamentally bearish stories and cited technical trading problems.

Laporte shot forward 16¾ to 654p with the help of a recommendation from Sutherlands.

Independent Insurance jumped 46 to 798½p after a positive AGM statement and a broker "buy" recommendation. SBC Warburg raised its share price target to £10.00 and its current year profit forecast by £5m to £52m.

FT 30 INDEX

	May 15	May 14	May 13	May 12	May 9	Yr ago	*High	*Low
FT 30	3013.6	3017.3	3018.3	3014.3	2960.3	2792.8	3013.6	2668.8
Ord. div. yield	3.63	3.62	3.63	3.64	3.71	3.96	4.22	3.62
P/E ratio net	18.29	18.33	18.30	18.25	17.87	16.49	18.33	15.80
P/E ratio nil	18.10	18.14	18.12	18.06	17.68	16.26	16.14	15.71

FT 30 since compilation: high 3013.6 12/05/97; low 49.4 26/06/40. Base Date: 1/7/35.

FT 30 hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
3009.7	3012.3	3007.6	3013.2	3006.0	3002.3	3001.8	3005.1	3012.3	3015.4	3001.3

	May 15	May 14	May 13	May 12	May 9	Yr ago
SEAQ bargains	51,311	56,580	60,979	63,069	59,647	31,971
Equity turnover (£m)†	-	NA	2521.4	2554.6	2675.2	1903.4
Equity bargains†	-	NA	49,454	52,998	52,640	38,418
Shares traded (mil)†	-	NA	710.3	728.2	767.3	699.0

†Excluding intra-market and overseas turnover but including Crest turnover.

 *For 1997.

■ **London market data**

Rises and falls*		52 Week highs and lows		LIFFE Equity options	
Total Rises	553	Total Highs	118	Total contracts	51,677
Total Falls	988	Total Lows	88	Calls	27,159
Same	1,525			Puts	24,518

May 15 *Data based on Equity shares listed on the London Share Service.

FUTURES AND OPTIONS

■ FTSE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	4690.0	4695.0	-12.0	4698.0	4663.0	14290	70906
Sep	4711.5	4727.0	-11.5	4730.0	4699.0	403	4138
Dec	-	4771.5	-12.0	-	-	0	320

■ FTSE 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	-	4550.0	+13.0	-	-	0	6138

■ FTSE 100 INDEX OPTION (LIFFE) (*4676) £10 per full index point

	4500		4550		4600		4650		4700		4750		4800		4850	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
May	182½	1	132½	1	83	1	34½	2	3½	25	1	75	1	125	1	175
Jun	218	22½	176	30½	137½	42	102½	57½	71	77	47	105	29½	137½	15½	178½
Jul	259½	38	211½	48	172½	60½	139	78½	108½	98½	81½	124½	58	153½	42½	189½
Aug	257	51	218½	62½	184	78	152½	96½	122	117	99	144	76½	172½	60	207½
Dec†	395	99			289½	131			224½	167			175	218½		

Calls 4,691 Puts 3,931

■ EURO STYLE FTSE 100 INDEX OPTION (LIFFE) £10 per full index point

	4525		4575		4625		4675		4725		4775		4825		4875	
May	167½	1	107½	1	59½	1½	15½	8½	1	43½	1	92½	1	142½	1	192½
Jun	194	25	153½	34	117	47½	84½	65	59	88½	38	118½	24	153½	13½	192½
Jul	226	40½	188	52	152½	65	120½	83½	92½	105	69	131	50	161	35	196
Sep	272½	74½			204	104			144½	142½			95	191		
Dec†	349½	103			273	132			215	170			183½	215		

Calls 12,910 Puts 12,622 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1997 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
*	F.P.	3,536	655	592½	Alliance & Leic	607½	-5½	L16.3	2.5	3.4	14.9
§	F.P.	103.8	1200	905	Aston Villa	905	-10	R8.8	1.9	1.2	49.7
§100	F.P.	25.0	101	98	Aurora Inv Trust	100		-	-	-	-
-	F.P.	4,267	308½	284	Cable & Wireless	288½	-1	-	-	-	-
§40	F.P.	12.6	66	54½	†Charlton Athltc	57½		-	-	-	-
	F.P.	38.0	95	95	Close Bros Pr VCT	95		-	-	-	-
§130	F.P.	18.3	150½	132½	†Comino	147½		2.25	4.6	1.9	13.8
§	F.P.	13.1	86½	70½	Donatantonio	86½	+½	0.5	ф	0.7	ф
-	F.P.	12.9	129½	122½	†Dragons Hlth Clbs	129½	+4	-	-	-	24.4
§175	F.P.	24.6	212½	198	Heal's	202½		L3.8	3.1	2.4	14.9
§	F.P.	7.13	164½	160	†ITG	160		-	-	-	-
§110	F.P.	5.09	130½	122½	†Lady in Leisure	122½	-2	b-	-	-	-
§	F.P.	3.69	117½	112½	Longbridge Intl	117½		-	-	-	16.4
-	F.P.	178.4	99½	97½	Mrtn Currie I&G Inc	98		M7.4	-	9.4	-
-	F.P.	8.16	93½	87½	Do Cap	91½		-	-	-	-
50	F.P.	19.2	54½	47½	†NMT	49	-1	-	-	-	-
§135	F.P.	174.0	144½	114	Newcastle Utd	121½		u1.6	-	1.9	-
§10	F.P.	5.46	13	12	†Newmark Tech	13		-	-	-	-
*	F.P.	1.83	30½	28½	†Northstar Secs	30½		-	-	-	-
	F.P.	5.75	115	95	Oxford Tech Vent	115		-	-	-	-
-	F.P.	32.2	172½	157½	Partners Hldgs	172½		a-	-	-	19.9
100	F.P.	8.00	100	100	Perine AIM VCT	100		-	-	-	-
-	F.P.	18.2	65	38½	†Petra Diamonds	62½		-	-	-	-
-	F.P.	0.83	40	13½	†Do Warrants	37½		-	-	-	-
143	F.P.	21.9	155½	150	Qualceram	155½		Q23%	-	1.5	-
§117	F.P.	18.1	124½	120½	Salehurst	121½		L3.75	1.3	3.9	19.4
§100	F.P.	10.7	106½	102½	†Soccer Investmnt	106½	+3	-	-	-	-
-	F.P.	12.4	107½	107½	†Torch Hldgs	107½		-	-	-	-
§8	F.P.	5.78	4	3¼	Versatile Group	4		-	-	-	-

† Alternative Investment Market. § Placing price. * Introduction. For a full explanation of all other symbols please refer to The London Share Service notes.

FTSE GOLD MINES INDEX

	May 14	% chg on day	May 13	Year ago	Gross div yield %	P/E ratio	52 week High	Low
Gold Mines Index (31)	1581.33	-0.5	1589.37	2370.49	2.15	-	2376.96	1488.80
■ Regional Indices								
Africa (14)	1861.26	-0.2	1864.25	3174.74	4.77	29.63	3197.52	1724.86
Australasia (6)	1823.74	+0.3	1817.56	2882.11	2.93	19.92	2677.22	1757.55
North America (11)	1475.95	-1.5	1497.88	2101.07	0.98	60.80	2126.45	1335.84

 Figures in brackets show number of companies. Basis US Dollars. Base Value: 1000.00 31/12/92. † Partial. Latest prices were unavailable for this edition.

FTSE Actuaries Share Indices — The UK Series

Produced in conjunction with the Faculty and Institute of Actuaries

	May 15	Day's chge%	May 14	May 13	May 12	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
FTSE 100	4681.2	-0.1	4686.9	4691.0	4669.8	3753.6	3.48	2.06	17.40	70.67	1990.45
FTSE 250	4521.9	-0.2	4529.3	4533.0	4526.4	4493.8	3.59	1.57	22.13	64.12	1879.71
FTSE 250 ex IT	4538.0	-0.1	4544.7	4549.0	4543.2	4532.1	3.72	1.60	20.96	66.68	1891.78
FTSE 350	2266.7	-0.1	2269.7	2271.6	2262.6	1901.0	3.50	1.97	18.13	33.80	1968.23
FTSE 350 ex IT	2267.1	-0.1	2269.9	2271.8	2262.6	-	3.53	1.98	17.91	1.49	1009.38
FTSE 350 Higher Yield	2207.9	+0.1	2205.5	2207.0	2198.1	1824.6	4.50	1.84	15.09	39.68	1622.93
FTSE 350 Lower Yield	2330.9	-0.4	2339.5	2342.1	2332.9	1984.8	2.47	2.20	22.99	27.46	1657.72
FTSE SmallCap	2314.83	-0.1	2316.80	2317.81	2314.04	2237.35	3.03	1.70	24.36	26.95	1956.73
FTSE SmallCap ex IT	2310.99	....	2311.26	2313.21	2310.93	2235.40	3.24	1.78	21.73	29.00	1969.43
FTSE All-Share	2225.99	-0.1	2228.79	2230.66	2222.18	1886.99	3.47	1.95	18.50	32.66	1961.53
FTSE All-Share ex IT	2226.30	-0.1	2228.86	2230.75	2222.12	-	3.51	1.97	18.11	1.40	1008.88

■ **FTSE Actuaries Industry Sectors**

	May 15	Day's chge%	May 14	May 13	May 12	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(20)	4302.99	-0.8	4336.07	4328.20	4287.90	3516.73	3.54	2.02	17.51	85.94	1928.43
12 Extractive Industries(5)	4337.08	+0.7	4307.34	4286.24	4266.63	4627.59	3.63	2.38	14.44	104.80	1325.71
15 Oil, Integrated(3)	4438.47	-1.0	4484.32	4481.04	4443.02	3526.94	3.74	1.96	17.06	90.91	2043.03
16 Oil Exploration & Prod(12)	3585.97	-0.4	3599.80	3560.99	3492.31	2507.15	1.61	2.20	35.26	36.78	2196.29
20 GEN INDUSTRIALS(268)	1938.36	-0.2	1942.94	1941.57	1945.63	2123.33	4.18	1.90	15.91	31.31	1101.62
21 Building & Construction(35)	1392.31	....	1392.96	1402.72	1398.63	1222.10	3.11	1.95	20.58	22.46	1208.84
22 Building Matls & Merchs(30)	1869.85	-0.2	1874.52	1881.05	1885.26	1957.85	4.29	2.75	10.58	34.84	984.56
23 Chemicals(26)	2347.72	+0.4	2338.88	2332.02	2321.44	2550.68	4.47	1.46	19.12	39.07	1159.06
24 Diversified Industrials(16)	1372.78	+0.8	1361.47	1357.75	1373.69	1748.36	5.29	1.97	12.00	36.17	313.09
25 Electronic & Elect Equip(38)	2085.29	-1.1	2109.14	2116.20	2107.31	2429.42	3.77	1.58	21.13	14.36	1114.85
26 Engineering(69)	2520.65	-0.2	2525.29	2513.24	2523.07	2461.81	3.36	2.46	15.13	31.12	1578.52
27 Engineering, Vehicles(13)	2764.27	-1.4	2804.00	2767.12	2769.00	3025.45	4.09	‡	‡	38.40	1479.69
28 Paper, Pckg & Printing(27)	2247.65	-1.2	2274.45	2298.44	2308.78	2761.49	4.66	1.87	14.35	41.86	974.76
29 Textiles & Apparel(14)	1051.06	-0.9	1057.60	1058.08	1061.71	1402.92	6.70	0.96	19.45	29.41	683.63
30 CONSUMER GOODS(84)	4582.30	+0.7	4551.09	4551.19	4502.34	3531.81	3.31	1.81	20.80	80.85	1766.90
32 Alcoholic Beverages(7)	3229.54	-0.5	3246.16	3300.26	3368.86	2866.57	4.10	1.88	16.22	62.64	1222.70
33 Food Producers(25)	2972.12	-0.4	2983.94	2994.10	2974.66	2469.78	3.72	1.85	18.23	56.21	1402.76
34 Household Goods(17)	3081.57	+0.6	3062.93	3028.52	2990.41	2690.42	3.37	2.30	16.12	53.41	1286.74
36 Health Care(15)	2218.53	-0.2	2222.00	2218.78	2214.06	2066.75	2.67	1.63	28.62	31.74	1390.57
37 Pharmaceuticals(18)	7456.46	+1.5	7343.56	7319.12	7168.26	5029.91	2.48	1.71	29.43	104.77	2617.58
38 Tobacco(2)	4558.31	+0.4	4539.84	4493.08	4435.91	4163.44	5.94	1.87	11.24	147.58	1213.36
40 SERVICES(271)	2708.76	-0.1	2712.80	2711.26	2702.60	2513.12	2.88	1.89	21.81	27.54	1451.56
41 Distributors(30)	2740.21	+0.1	2736.40	2732.31	2740.55	2914.57	3.35	1.94	19.21	38.25	1044.95
42 Leisure & Hotels(31)	3515.93	+0.3	3505.59	3516.02	3511.38	3182.86	2.60	1.78	27.09	58.92	1945.78
43 Media(44)	4355.66	-0.4	4371.83	4415.77	4407.07	4269.31	2.25	1.96	29.16	55.29	1618.13
44 Retailers, Food(15)	2143.91	-0.2	2149.21	2116.01	2108.17	1999.86	3.81	2.21	14.83	22.51	1411.77
45 Retailers, General(53)	2108.85	-1.1	2132.53	2137.52	2126.48	2034.44	3.17	2.06	18.96	15.05	1240.89
47 Breweries, Pubs & Rest.(22)	3333.20	+0.3	3322.72	3315.78	3300.83	3116.36	3.31	2.08	18.18	16.26	1644.82
48 Support Services(54)	3048.57	+1.3	3008.35	3002.84	2973.05	2377.75	1.71	2.62	27.93	20.48	1982.01
49 Transport(22)	2858.22	+0.3	2850.69	2808.82	2812.83	2436.23	3.40	1.47	25.00	30.52	1235.23
60 UTILITIES(31)	2826.29	+0.9	2810.32	2826.03	2820.28	2346.30	4.86	1.36	16.47	16.92	1269.61
62 Electricity(9)	3141.17	+0.4	3130.07	3122.66	3107.63	2733.58	5.52	2.23	10.17	22.06	1734.99
64 Gas Distribution(2)	1690.65	+2.0	1657.01	1643.55	1630.09	1181.98	7.21	‡	‡	68.13	966.65
66 Telecommunications(8)	2310.92	+0.5	2298.37	2332.01	2341.54	1973.35	3.80	1.71	19.22	0.38	1091.18
68 Water(12)	2637.11	....	2636.80	2632.09	2594.33	2062.15	5.66	2.33	9.50	0.00	1525.22
69 NON-FINANCIALS(674)	2242.02	+0.1	2240.65	2241.34	2230.95	2005.01	3.57	1.86	18.84	30.98	1772.78
70 FINANCIALS(106)	4381.06	-0.7	4411.37	4424.57	4419.15	2926.30	3.29	2.38	15.97	83.03	1975.14
71 Banks, Retail(8)	6583.57	-1.0	6647.94	6657.69	6643.99	3971.51	3.05	2.65	15.45	126.12	2252.46
73 Insurance(18)	1834.67	+0.5	1825.53	1856.53	1871.44	1536.77	4.72	2.52	10.50	64.22	1466.07
74 Life Assurance(7)	5165.95	-0.8	5210.17	5198.36	5217.44	3579.71	3.41	1.96	18.67	121.00	2256.49
77 Other Financial(29)	3297.96	-1.1	3333.20	3330.85	3283.08	2713.56	3.26	1.98	20.36	36.34	1950.05
78 Property(44)	1999.59	+0.5	1990.60	2005.27	2004.55	1571.14	3.20	1.31	29.87	18.53	1273.08
80 INVESTMENT TRUSTS(127)	3383.45	-0.4	3398.52	3400.59	3394.52	3237.83	2.19	1.13	50.74	24.41	1207.41
89 FTSE All-Share(907)	2225.99	-0.1	2228.79	2230.66	2222.18	1886.99	3.47	1.95	18.50	32.66	1961.53
105 FTSE All-Share ex IT(780)	2226.30	-0.1	2228.68	2230.75	2222.12	-	3.51	1.97	18.11	1.40	1008.88
FTSE Fledgling	1296.48	-0.2	1298.58	1301.27	1301.80	1257.73	3.01	0.78	52.98	15.15	1395.46
FTSE Fledgling ex IT	1312.73	-0.1	1314.60	1317.83	1318.75	1267.78	3.31	0.76	48.87	14.29	1413.99
FTSE AIM	1087.0	-0.1	1088.4	1092.3	1095.7	-	0.94	1.02	80.00†	0.13	992.97

■ **Hourly movements**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FTSE 100	4664.7	4670.4	4663.1	4674.9	4661.3	4655.8	4654.4	4661.8	4676.6	4681.2	4654.4
FTSE 250	4526.3	4528.3	4528.3	4528.7	4526.2	4524.6	4524.1	4523.7	4522.4	4529.0	4521.7
FTSE 350	2260.7	2263.1	2260.3	2264.9	2259.4	2257.1	2256.5	2259.3	2265.0	2266.7	2256.5
FTSE SmallCap	2318.17	2317.09	2316.69	2316.50	2315.77	2315.40	2314.82	2314.59	2314.89	2317.11	2314.51
FTSE All-Share	2220.58	2222.86	2220.24	2224.45	2219.34	2217.22	2216.63	2219.23	2224.41	2225.99	2216.63

Time of FTSE 100 Day's high: 4:30 PM Day's low: 1:59 PM. FTSE 100 1997 High: 4681.2 (15/05/97) Low: 4056.6 (10/01/97)
Time of FTSE All-Share Day's high: 4:30 PM Day's low: 2:00 PM. FTSE All-Share 1997 High: 2225.99 (15/05/97) Low: 1969.78 (02/01/97)

Further information is available on http://www.ftse.com or contact FTSE International on +44 (0)171 448 1810.

† Sector P/E ratios greater than 80 and net covers greater than 30 are not shown. ‡ Values are negative. Name change: Bardon to Aggregate Industries (FTSE SmallCap) & (22).

FTSE INTERNATIONAL

TRADING VOLUME

■ **Major Stocks Yesterday**

	Vol. 000s	Closing price	Day's change
3i†	1,400	499½	-6½
ASDA Group†	6,000	119¼	+¼
Abbey National†	3,000	935½	+½
Airtours	478	972½	-2
Albert Fisher	1,100	39¼	
Alliance & Leicester	992	607½	-5½
Allied Domecq†	6,100	468½	+2
Anglian Water	1,200	689	+6½
Argos	626	608½	+2
Arjo Wiggins	1,400	180½	-4
Assoc. Brit. Foods†	88	556½	+1½
Assoc. Brit. Ports	583	266	-6½
BAA†	1,600	540½	+1½
BAT Inds.†	5,200	549½	+2
BBA	3,200	317½	-2
BICC	1,800	178½	-9
BOC†	1,200	1002	+15
BG†	22,500	187½	+6
BP†	187,300	724½	-20
BPB	1,300	332	-1
BSkyB†	1,000	589½	+2
BT†	19,800	462½	+3
BTR†	18,100	219½	+4
Bank of Scotland†	2,200	415½	-6½
Barclays†	3,800	1265½	+12
Bass†	1,200	829	+13
Blue Circle†	2,100	417	-2
Booker	667	311	-½
Boots†	1,400	727½	-4
Britannic	273	886½	-1
Brit. Aerospace†	2,500	1286½	-7
British Airways†	1,700	748	+5½
British Biotech	1,500	260	+7½
British Energy	630	144	+½
British Land†	994	585	+3
British Steel†	7,900	147¼	+¼
Burmah Castrol†	1,700	1036½	-19½
Burton†	12,900	145	-9
Cable & Wire†	11,600	499	+1½
Cadbury Schweppes†	3,600	560½	-10½
Caradon	6,500	218	-8½
Carlton Comms.†	947	525	+2½
Centrica†	9,400	63¾	-1
Chubb	6	443	-1
Coats Viyella	2,700	126½	-1½
Comm. Union†	2,400	733½	-½
Compass	2,600	657½	-4½
Cookson	6,100	228½	+2
Courtaulds	1,100	317½	-5
Dalgety	2,100	263½	-1
De La Rue	3,700	505	+4
Dixons†	1,700	499	-13
EMAP	1,500	731½	-7
EMI†	676	1286	-18½
Electrocomps	3,200	401½	+3
Energy Group†	2,700	534½	+1
Enterprise Oil†	2,400	667½	
FKI	4,000	175½	+1
Foreign & Col. I.T.	851	161¼	-½
Gen. Accident†	1,500	851	+8½
General Elect.†	8,700	360	-5
Glaxo Wellcome†	3,100	1281½	+30
Glynwed	892	251½	-6
Granada†	2,100	934½	+7
Grand Met.†	8,800	564½	-2½
GUS†	823	666	-3
Greenalls	406	503	-5
GRE†	4,600	300½	+1½
GKN†	1,500	935½	-28¾
Guinness†	6,400	588½	-6
HSBC (75p shs)†	4,800	1788½	-31½
Hammerson	620	451	-1½
Hanson†	2,200	322½	-½
Harrisons Crosfield	761	102½	
Hays†	1,800	582	+11½
Hillsdown	1,900	177½	+2
Hyder	71	855½	+½
IMI	1,200	362½	+1
ICI†	4,900	794	
Imperial Tobacco†	1,800	403½	+3
Inchcape	2,300	297½	
Johnson Matthey	2,000	494	+1
Kingfisher†	1,100	721	+3½
Kwik Save	89	298	-3½
Ladbroke†	1,600	248½	+½
Land Securities†	1,700	877½	+9
Laporte	1,700	654	+16¾
Legal & General†	8,100	441½	-12
Lloyds TSB†	6,800	603½	-7
LASMO†	344	238½	-6
Lonrho	2,400	135½	-3
LucasVarity†	7,100	200	-1½
MEPC	797	497½	+8½
MFI	2,600	133½	-2½
Marks & Spencer†	6,200	508	-11½
Mercury Asset Man†	1,400	1372	-69½
Morrison (Wm.)	106	157	-½
NFC	789	131½	-½
NatWest Bank†	8,700	807	-3½
National Grid†	4,200	225½	-3½
National Power†	2,400	563	+16
Next†	3,300	694	-13½
Northern Foods	427	201½	-3
Orange†	1,000	218	+1
Pearson†	724	702½	-20
P & O†	1,800	649½	+8½
Pilkington	3,300	114	-1½
PowerGen†	1,800	662½	+8
Premier Farnell	208	466½	-2
Provident Financial	542	636	-1
Prudential†	3,800	670	-4
REXAM	798	285½	-3½
RMC†	757	934	+15
RTZ†	1,800	1026	+9½
Racal	2,200	221	-4½
Railtrack†	2,700	429½	-6
Rank Group†	3,400	447½	-½
Reckitt & Colman†	2,500	916	+11
Redland	2,300	331½	+4½
Reed Intl.†	2,400	612½	-3
Rentokil Initial†	4,800	449½	+20¼
Reuters†	4,200	678½	-6
Rolls Royce†	7,000	246	+½
Royal & Sun Alliance†	4,100	508½	+5
Royal Bk Scotland†	3,400	638	-15
Safeway†	5,400	381	+8½
Sainsbury†	8,000	371½	-6
Schroders†	48	1742½	-2½
Scottish & New.†	2,200	703½	-2
Scot. Hydro-Elect.	961	366	-2½
Scottish Power†	2,800	380	-4
Sears	870	79	+1
Securicor	973	285½	-1
Severn Trent†	1,300	735½	+3
Shell Transport†	5,800	1164½	+10
Siebe†	2,100	966	+2½
Slough Ests	66	319	+2½
Smith (W.H.)	2,100	485	-2
Smith & Nephew†	2,700	176½	-¾
SmKl Beecham†	4,800	1073½	-7½
Smiths Inds.†	625	770	-5½
Southern Elect	444	425½	-7
South West Water	246	705½	+½
Stagecoach	186	677½	-1
Standard Chartd.†	1,200	997½	-10
Storehouse	2,800	205½	+2
T&N	3,900	137	
TI Group†	2,100	552	-11½
Tarmac	6,100	128½	+1½
Tate & Lyle†	5,900	469½	
Taylor Woodrow	2,600	201	-8
TeleWest Comms	761	80	+2
Tesco†	3,900	368½	+1½
Thames Water†	1,700	696	+1
Thistle Hotels	141	168½	-½
Thorn	1,300	181½	-½
Tomkins†	2,200	274½	+1
Unigate	139	481½	
Unilever†	1,400	1601	-5
United Biscuits	657	227	-1½
Utd. News & Media†	1,700	779½	+3
United Utilities†	1,300	666½	-5
Vodafone†	5,600	278	-3
WPP	801	251½	+3
Wessex Water	1,400	367½	+1
Whitbread†	554	797	-2
Williams Hldgs.	1,400	313½	-1
Wimpey	1,000	186½	
Wolseley†	1,600	477	-2
Yorkshire Elect	0	327½	
Yorkshire Water	391	374½	-2
Zeneca†	1,400	1983½	+15

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. † Indicates an FTSE 100 index constituent.

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Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

AUSTRIA (May 15 / Sch)

BELGIUM/LUXEMBOURG (May 15 / Frs.)

CZECH REP (May 15 / Korun)

DENMARK (May 15 / Kr)

FINLAND (May 15 / Mka)

FRANCE (May 15 / Frs.)

GERMANY (May 15 / Dm.)

GREECE (May 15 / Drachma)

ITALY (May 15 / Lira)

NETHERLANDS (May 15 / Fls.)

NORWAY (May 15 / Kroner)

POLAND (May 15 / Zloty)

PORTUGAL (May 15 / Escudo)

SPAIN (May 15 / Pts.)

SWEDEN (May 15 / Kronor)

SWITZERLAND (May 15 / Frs.)

TURKEY (May 15 / Tk Lira)

PACIFIC

JAPAN (May 15 / Yen)

HONG KONG (May 15 / H.K.$)

INDONESIA (May 15 / Rupiah)

MALAYSIA (May 15 / MYR)

NEW ZEALAND (May 15 / NZ $)

SINGAPORE (May 15 / S$)

SOUTH KOREA (May 15 / Won)

TAIWAN (May 15 / TW $)

THAILAND (May 15 / Baht)

AUSTRALIA (May 15 / Aust$)

AFRICA

SOUTH AFRICA (May 15 / Rand)

NORTH AMERICA

CANADA

TORONTO (May 15 / Can $)
4 pm close

MONTREAL (May 15 / Can $)
4 pm close

INDICES

	May 15	May 14	May 13	1997 High	1997 Low
Argentina					
General(29/12/77)	(u)	21444.68	21339.73	21651.32 24/2	18237.37 2/1
Australia					
All Ordinaries(1/1/80)	2525.0	2530.4	2534.3	2534.30 13/5	2352.29 1/4
All Mining(1/1/80)	917.8	920.2	924.1	987.10 24/2	878.40 16/4
Austria					
Credit Aktien(30/12/84)	413.75	419.23	418.17	419.58 12/5	374.40 9/1
Traded Index(2/1/91)	1249.39	1261.47	1256.17	1261.47 14/5	1130.22 9/1
Belgium					
BEL20(1/1/91)	2251.00	2247.70	2242.94	2254.87 5/5	1871.00 2/1
Brazil					
Bovespa(29/12/83)	(u)	10283.0	10648.0	10881.00 12/5	0.00 29/4
Canada					
Metals Minls♦(1975)	(u)	5468.84	5502.39	6881.75 10/3	4845.86 11/4
Composite♦(1975)	(u)	6248.20	6249.20	6032.98 10/3	5578.39 14/4
Portfolio§§(4/1/83)	(u)	3156.16†	3180.04	3214.10 10/3	2846.02 11/4
Chile					
IGPA Gen¥(31/12/80)	(u)	5335.66	5347.28	6443.52 26/2	4912.42 2/1
Denmark					
CopenhagenSE(3/1/83)	566.08	566.06	564.92	566.06 14/5	470.14 2/1
Finland					
HEX General(28/12/90)	3044.33	3032.46	3011.45	3044.33 15/5	2483.28 2/1
France					
SBF 250(31/12/90)	1834.01	1834.58	1808.50	1834.58 14/5	1533.19 2/1
CAC 40(31/12/87)	2776.01	2774.63	2718.58	2776.01 15/5	2258.97 2/1
Germany					
FAZ Aktien(31/12/58)	1219.48	1223.77	1226.98	1226.98 13/5	988.21 2/1
Commerzbank(1/12/53)	3579.80	3590.90	3605.70	3605.70 13/5	2875.90 2/1
DAX‡(30/12/87)	3562.11	3573.89	3595.15	3595.15 13/5	2848.77 2/1
Greece					
Athens SE(31/12/80)	1643.51	1634.69	1602.14	1643.51 15/5	954.84 2/1
Hong Kong					
Hang Seng(31/7/64)	14041.90	14153.58	13906.46	14153.58 14/5	12056.17 3/4
India					
BSE Sens.(1978)	3741.22	3740.53	3701.96	3844.61 4/3	3225.24 2/1
Indonesia					
Jakarta Comp.(10/8/82)	656.98	670.28†	672.86	712.80 26/2	631.27 15/4
Ireland					
ISEQ Overall(4/1/88)	3241.91	3240.98†	3240.61	3241.91 15/5	2726.97 2/1
Italy					
Banca Comm Ital(1972)	775.38	774.31	772.80	787.71 10/2	643.55 2/1
MIB General(2/1/97)	1167.0	1165.0	1163.0	1197.00 10/2	991.00 2/1
Japan					
Nikkei 225(16/5/49)	20056.31	20209.72	20128.11	20209.72 14/5	17303.65 10/1
Nikkei 300(1/10/82)	288.45	291.65	291.03	289.84 6/5	251.04 27/1
Topix(4/1/68)	1489.18	1502.31	1500.67	1502.13 6/5	1320.82 10/4
2nd Section(4/1/68)	1728.34	1724.54	1720.25	1829.21 6/1	1516.60 15/4
Malaysia					
KLSE Comp.(4/4/86)	1041.27	1072.49	1084.55	1271.57 25/2	1041.27 15/5
Mexico					
IPC(Nov 1978)	(u)	3864.20	3930.74	3938.00 25/2	3358.48 2/1
Netherland					
CBS TtlRtnGen(End 83)	928.3	928.0	920.0	928.30 15/5	730.80 2/1
CBS All Shr(End 83)	537.3	538.8	535.0	539.80 14/5	429.80 2/1
New Zealand					
Cap. 40(1/7/86)	2310.72	2300.99	2303.16	2440.21 20/1	2207.48 1/4
Norway					
Oslo SE(Ind)(2/1/83)	1890.16	1897.31	1895.04	1941.48 20/2	1530.03 2/1
Philippines					
Manila Comp(2/1/85)	2631.09	2705.92	2677.11	3447.60 3/2	2605.88 2/5
Portugal					
BVL 30(4/1/93)	2906.28	2902.07	2896.08	2906.28 15/5	2165.57 2/1
Singapore					
SES All-S'pore(2/4/75)	502.44	513.24	513.99	573.03 17/2	479.94 29/4
South Africa					
JSE Gold(28/9/78)	1254.7▼	1270.1	1275.4	1588.10 27/2	1181.80 2/5
JSE Ind.(28/9/78)	8440.6▼	8403.8	8474.7	8580.70 6/5	7858.50 2/1
South Korea					
KoreaCmpEx**(4/1/80)	699.95	(c)	683.86	721.80 14/2	611.05 7/1
Spain					
Madrid SE(30/12/85)	(c)	546.78	548.00	548.00 13/5	434.54 2/1
Sweden					
AffarsvarldsGen(1/2/37)	2835.0	2818.1	2805.8	2835.00 15/5	2378.58 2/1
Switzerland					
SMI Index(1/7/88)	5141.7	5134.3	5084.2	5141.70 15/5	3922.90 7/1
SPI General(1/6/87)	3245.92	3239.58	3212.87	3245.92 13/5	2586.22 8/1
Taiwan					
WeightedPr.**(30/6/66)	7986.10	8181.62	7952.12	8881.72 26/4	6844.75 8/1
Thailand					
Bangkok SET(30/4/75)	557.87	571.30	600.24	858.97 22/1	557.87 15/5
Turkey					
IMKB Nat 100(1986)	1515.00	1437.00	1408.00	1854.00 21/5	986.08 2/1
WORLD					
MS Capital Intl$(1/1/70)	896.4*	895.8	892.1	897.00 14/5	784.58 14/4
CROSS-BORDER					
Eurotrack 100(26/10/90)	2328.95	2328.46	2315.77	2328.95 15/5	1883.90 2/1
Euro Top-100(26/6/90)	2003.84	2004.86	1993.47	2004.86 14/5	1582.99 2/1
HSBC JC Drgn(31/12/88)	(u)	408.59	403.79	429.46 20/1	381.54 29/4
ING Bargs Emrg(7/1/92)	173.82	175.99	175.74	181.33 26/2	159.74 3/1

INDEX FUTURES

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
CAC-40 (200 x Index)							
May	2762.0	2769.0	+5.0	2777.0	2750.0	12,655	23,342
Jun	2727.5	2744.5	+5.0	2746.0	2725.5	1,982	27,006
DAX							
Jun	3577.5	3571.0	-22.0	3580.0	3550.5	18,279	-
Sep	3597.5	3598.5	-15.5	3603.5	3580.0	140	-
OMX							
May	2188.00	2211.00	+28.00	2212.50	2178.25	3,725	21,468
Jun	2196.00	2221.00	+28.00	2221.00	2186.50	1,871	6,134
SOFFEX							
May	5116.0	5133.0	+3.0	5136.5	5097.0	8,935	16,716
Jun	5050.0	5119.5	+3.0	5122.0	5095.0	3,889	15,198

** Sat May 10: Taiwan Weighted Price 8274.19; Korea Comp Ex 678.98. Base values of all indices are 100 except Australia All Ord and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., BVL30, SBF250, CAC40, SPI, Euro Top-100, ISEQ Overall; Toronto Comp./Mets & Mins, DAX - all 1,000; SMI - 1500; JSE Gold - 255.7; JSE 26 Ind - 264.3; IMKB Nat 100 - 1; NYSE All Common - 50; Stand & Poor's - 10 and Amex Comp - 550. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: May 15 - 3564.65 -23.72. † Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ▼ Subject to official recalculation.

US INDICES

Dow Jones	May 14	May 13	May 12	1997 High	1997 Low	Since compilation High	Since compilation Low
Industrials	7286.16	7274.21	7292.75	7292.75 (12/5)	6391.69 (11/4)	7292.75 (12/5/97)	41.22 (8/7/32)
Home Bonds	102.18	102.17	102.05	103.83 (19/2)	101.09 (14/4)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	2616.61	2628.79	2634.80	2634.80 (12/5)	2222.07 (2/1)	2634.80 (12/5/97)	13.23 (8/7/32)
Utilities	222.81	222.00	224.54	240.05 (22/1)	208.47 (25/4)	256.46 (31/8/93)	10.53 (8/7/32)

DJ Ind. Day's high 7381.78 (7350.86) Low 7238.35 (7211.16) (Theoretical♦)
Day's high 7351.88 (7315.85) Low 7263.06 (7241.85) (Actual♦)

Standard and Poors	May 14	May 13	May 12	1997 High	1997 Low	Since compilation High	Since compilation Low
Composite‡	836.04	833.13	837.66	837.66 (12/5)	737.01 (2/1)	837.66 (12/5/97)	4.40 (1/6/32)
Industrials▼	982.89	981.10	986.56	986.56 (12/5)	865.42 (11/4)	986.56 (12/5/97)	3.52 (30/6/32)
Financial	94.91	93.81	94.77	97.25 (10/3)	80.75 (2/1)	97.25 (10/3/97)	7.13 (4/9/74)
NYSE Comp.	435.80	433.87	435.57	435.80 (14/5)	389.47 (11/4)	435.80 (14/5/97)	4.64 (25/4/42)
Amex Comp.	581.87	579.80	578.47	603.63 (10/3)	541.20 (28/4)	617.81 (22/5/96)	524.20 (16/7/96)
NASDAQ Cmp	1335.55	1333.59	1344.19	1390.06 (22/1)	1201.00 (2/4)	1390.06 (22/1/97)	54.87 (3/10/74)

RATIOS

	May 9	May 2	Apr 25	Year ago
Dow Jones Ind. Div. Yield	1.71	1.73	1.82	2.20
	May 14	May 7	Apr 30	Year ago
S & P Ind. Div. yield	1.68	1.72	1.75	1.92
S & P Ind. P/E ratio	23.89	23.33	22.89	21.26

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
K-Mart	9,582,100	14½	+¼
Brit Pete	8,382,700	141¼	-3⅝
Micron Tc	8,053,100	36	+1⅛
GEC	7,285,300	60⅝	——
Chrysler	5,841,400	31⅝	-⅛
WalMart	4,484,300	30⅝	+⅛
Seagate	4,466,200	48⅛	-1¼
AT & T	3,583,800	32⅝	-⅛
Tele Bras	3,556,800	121¼	-4⅛
PepsiCo	3,516,200	37⅝	+⅛

TRADING ACTIVITY

● Volume (millions)

	May 14	May 13	May 12
New York SE	498.747	398.557	462.737
Amex	na	13.903	18.414
NASDAQ	634.470	608.482	544.670
NYSE			
Issues Traded	3,308	3,353	3,349
Rises	1,472	1,144	1,773
Falls	992	1,326	764
Unchanged	844	883	812
New Highs	160	144	167
New Lows	9	21	14

	Open	Latest	Change	High	Low	Est. vol.	Open int.
S&P 500							
Jun	839.85	838.80	-1.15	841.50	835.00	76,337	183,023
Sep	847.50	846.00	-2.60	847.50	845.60	834	8,870

	Open	Sett price	Change	High	Low	Est. vol.	Open Int.
Nikkei 225							
Jun	20140.0	20060.0	-180.0	20210.0	19890.0	20,867	237,804
Sep	20150.0	20110.0	-130.0	20200.0	19950.0	153	8,741

Open interest figures for previous day.

Prices supplied by Extel, part of FT Information.

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. * Calendar year high and low. ‖ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. ƒ Priced in US $.

TOKYO - MOST ACTIVE STOCKS: Thursday, May 15, 1997

	Stocks Traded	Closing Prices	Change on day
Nomura Sec	9.5m	1,390	-90
Mitsui Fudosan	6.5m	1,500	+30
Nippon Steel	6.2m	371	
Yamaichi Sec	5.8m	327	-23
Mitsubishi Hvy	5.2m	855	-1
Sumitomo Mtl Ind	4.6m	309	-1
NKK Corp	4.2m	265	-6
Nissho Iwai	3.8m	444	+7
Kawasaki Steel	3.8m	369	-3
Kao Corp	3.7m	1,600	+50

4 pm close May 15

NEW YORK STOCK EXCHANGE PRICES

1997 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg'e Prev. Close
		- A -								
32	24¼	AMR x	0.48	1.6	23	532	31¼	30⅞	30¾	-½
43	33⅛	AMP x	1.04	2.7	31	8112	39¼	38¾	39⅛	+¼
98¾	78¼	AMR			7	3461	96⅜	94⅞	95⅞	-½
37⅝	31⅞	ASA x	1.20	3.7	27	426	32¾	32¼	32⅝	
85¼	49¾	AbbtL x	1.08	1.6	28	16739	u87⅞	84⅝	87⅛	+2¼
17½	14⅛	Abitibi Pr	0.40	2.3	8	373	17⅛	17	17⅛	+⅛
16¾	17⅞	ABM Ind	0.40	2.1	17	197	19¼	19⅛	19¼	
23	17⅞	Acptocsin			9	24	19⅛	19	19⅛	
66¾	58⅛	ACE Ltd	0.88	1.4	10	984	61⅛	61½	61¾	-⅛
19¾	10	ACM Gvt In x	0.90	8.9	11	216	10¼	10⅛	10⅛	-⅛
7⅝	7	ACM GvOpp x	0.63	8.3		62	u7⅝	7½	7⅝	
9⅞	9¼	ACM Man x	0.90	9.4		172	9⅝	9½	9⅝	
10⅜	6¼	Acme Elect				23	7¼	6⅞	7½	+⅜
00	13	Acme Mills				39	14¼	13⅞	14¼	+⅛
17⅞	14	ACNielsen			30	1080	17	16¾	16⅞	
32	27¼	Acordia	0.00	2.5	15	372	32½	32⅜	32½	+¼
29¾	21⅛	Acuson				2465	26½	26	26⅜	+¼
21¾	19⅜	Adams Expr x	0.55	2.5		146	21⅝	21½	21⅝	
48½	24⅞	Adelphia				11982	44⅛	43⅛	44	+⅞
15	10¾	Advest Grp	0.03	0.2	10	242	u15¼	15	15	+⅛
14⅛	11⅞	Advo Inc			16	452	14	13¾	13¾	
73⅞	61¼	Aegon x	1.45	1.9	21	420	u74⅞	74¼	74½	+1⅝
3⅜	3⅛	Aeriik				57	3⅝	3½	3⅝	
43⅛	33	Aero-V x	0.80	1.9	12	716	42	41⅞	41⅝	-¼
66	46	AES Corp				20	66⅛	66⅛	66⅛	
100⅞	73	Aetna x	0.80	0.8	54	4519	97⅞	96⅝	96⅞	-¾
46	37½	Afiac	0.46	1.0	19	3266	u47⅛	45⅝	41	+1¼
21⅞	19¾	AGCO	0.04	0.1	12	20	21	21	31	+½
21⅜	16⅜	AGL Res x	1.08	0.9	13	543	18⅛	16⅛	19⅜	+¼
45¼	32	Ahmanson x	0.88	2.2	20	2126	41	40½	40⅞	-⅛
77⅝	66⅜	AirPrC	1.10	1.5	26	1003	75	73¾	75	+1
36¾	22¾	Airbor Frt x	0.20	6.9	19	1283	35⅛	34⅞	35	-⅜

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NYSE PRICES

4 pm close May 15

Continued from previous page

1997 High	Low	Stock	Div.	Yld %	P/E	Sls 100s	High	Low	Close	Chng
65	37⅞	York Int	0.48	1.0	15	738	48⅛	47⅞	48	+⅛
5	4	Zapata				996	4⅛	4⅛	4⅛	-⅛
13⅛	9⅛	ZeniE				809	11¼	10⅞	11¼	+¼
27⅞	24⅞	Zenith Nat x	1.00	3.9	14	208	25⅝	25⅛	25⅝	-⅛
7½	7⅛	Zenix Inc	0.73	9.8		77	u7½	7⅜	7½	+⅜
23⅞	17¾	Zurn x	0.12	0.6	18	209	21¼	20⅝	21¼	+⅜
11½	10¾	ZweigFd	1.18	10.2		324	u11½	11⅛	11⅜	
8¾	8	Zweig Tot x	0.84	9.7		471	d8¾	8⅝	8⅝	-⅛

Price data supplied by Telekurs, part of FT Information.

Yearly highs and lows for NYSE reflect the period from Jan 1 1997. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

d-new yearly low. P/E price-earnings ratio. sls-sales. u-new yearly high. x-ex-dividend or ex-rights. yld-yield. z-sales in full.

‡ Dealings suspended.

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AMEX PRICES

4 pm close May 15

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Cambrex x	0.20	16	97	33⅞	33⅛	33⅝	-¼
CaFdCaA	0.91		124	4⅜	4¼	4¼	-⅛
Cominco		19	2	27⅞	27¾	27⅞	+⅜
CompTch			28	9⅞	8⅞	8⅞	-⅛
Computrac			50	1⅛	1⅛	1⅛	-⅛
Giant FdA x	0.70	23	987	33¾	32¾	33⅛	-⅛
GlobIlr	0.70	12	154	17	16⅞	17	+⅛
Goldfield			130	⅞	⅞	⅞	
HanDir x			448	⅜	⅜	⅜	-⅛
Moog A		14	50	23¼	22¾	23¼	+¼
MSR Expl			20	1⅛	1⅛	1⅛	
NatPatDev		5	129	7⅛	7⅛	7⅛	+⅛
ViacomB		181	3949	29⅛	28⅞	29	+⅛
WRET	1.12	18	20	12⅝	12⅝	12⅝	+⅛
Xytronix			8	1⅛	1⅛	1⅛	-⅛

NASDAQ NATIONAL MARKET

4 pm close May 15

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Jason Inc		14	331	6½	6	6⅛	-⅜
Johnson W		18	11	½d19½		11	+½
Jones Int			99	9½	9¼	8½	
Jones Med	0.08	44	669	35⅜	34½	34⅞	
JSB Fin x	1.40	18	65	u44½	42½	43½	-1
Juno Ltg	0.32	15	58	15⅝	15¼	15¼	-⅛
Justin	0.16	13	169	11⅞	11⅞	11⅞	

- K -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
K Swiss	0.08	3	18	2 12¾	12⅞	12¾	-½
Kaman Cp	0.44	24	68	13⅞	13¾	13¾	-⅛
Kelly Sv	0.84	14	650	28¾	27¾	28⅛	+⅝
Kimball	1.04	14	29	39¼	39⅛	39⅛	+⅛
KLA-Tn		26	13422	50⅞	48⅝	50⅛	+1⅛
Koll A			1032	⅛	d⅛	⅛	+⅛
Komag		21	15489	34¾	34	34⅞	+⅛
Kulicke B			6450	31	29⅝	30¾	+1⅛

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
PresCas			382	⅜	⅞	⅞	-⅛
Pres Life	0.20	13	72	15⅝	15¼	15¼	
Presstek		131	530	89½	87	89½	+1
PrideP		8	3947	19¼	18¼	19⅞	+¼
Printrak		15	391	13¼	12¾	13	
Prod Ops x	0.28	31	76	u63⅛	62¼	62¼	-.24
Qualcomm		102	7880	50⅞	49⅛	50⅛	-¼
Quad Food		21	z0	38¾	38¾	38¾	-⅛
Quantum		27	33268	47½	44½	47½	+3¾
Quickslv		16	135	20	25¼	25¼	+⅛
Quintiles		188	1967	56½	55¼	56½	+⅝

- R -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Rainbow		13	1163	17	15½	16⅞	+1⅛
Rallys			531	2⅞	2⅝	2⅞	-⅛
Raymond	0.25	15	778	u31¼	30¾	31¼	+½
RCSB Fin	0.80	11	380	33½	32⅞	33	-½
Read-Rite		31	936	27	28⅛	26⅞	+¼

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Warner En	0.16	16	729	d20¼	20½	20½	
Watsn Bnc x	1.04	16	345	88⅞	87¾	87⅞	-⅛
WespSbA		20	817	38¾	36¼	38⅞	-⅛
Wst SealA		24	605	28⅛	27½	27⅞	-⅛
WmsSonoma		49	7508	36	32¾	34⅞	+2
Wolohan L	0.28	12	26	12⅞	12⅛	12⅞	+⅛
Wrldcm			53115	26¾	25⅞	26⅞	+½
Worthgtn	0.48	18	4883	18⅞	18	18¼	+⅛
WPP ADR	0.10	22	664	41⅛	41¼	47⅞	
Wyman-Gdn	0.40	26	226	22½	22⅛	22½	+⅜

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx		38	13363	55¾	52⅞	55¾	+2.86
Xircom		19	11770	13⅝	12¾	13¾	+½
Xomo Corp			994	5⅛	4⅞	5⅛	
Yellow			7740	18⅝	17⅛	18⅝	+½
York Rsch		15	704	7⅞	7½	7⅞	-⅛
ZionsUtah	1.76	4	1114	34⅛	31⅞	32⅞	-1¼

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Company	Mid price	Change on day	Volume	High	Low	Company	Mid price	Change on day	Volume	High	Low
ActivCard	US$6.5	-0.125	2900	8.25	6.5	Esprit Telecom ADS	US$5.5	+0.125	8	12.25	5.375
Artwork Systems	US$10.625		9550	11	9.5	Innogenetics	US$11.375		27630	12.75	10.375
Chemunex	FF18		7000	18	16	Mercer Interntnl.	US$10	+0.375	0	11.75	8.125
Dr Solomon's ADS	US$22.75		1000	26.5	16.875	PixTech	US$4.5		0	6.125	4.25

Prices for 15/5/97. Please note that mid prices are now used to calculate highs and lows.

Information about EASDAQ can be found on the Web site at: HTTP://WWW.EASDAQ.be
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Dow at peak as rates worries ease

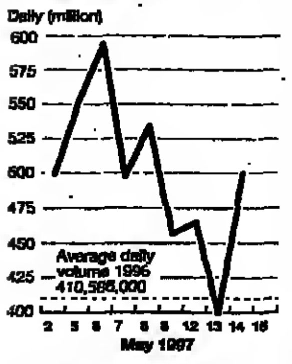
AMERICAS

Wall Street reached another intra-day high in midsession after shaking off early morning worries over interest rates, *writes Jane Martinson in New York*.

The Dow Jones Industrial Average rose 17.30 to 7,303.46, belped by a rebound among technology stocks. Earlier, the leading indicator bad been marked 15 points lower as economic data raised interest rate fears.

Analysts pointed to uncertainty over whether the Federal Reserve'e Open Market's Committee would raise rates at next week's meeting as the cause of some volatility.

NYSE volume



However, Ms Abby Josepb Cohen, co-chair of the investment policy committee at Goldman Sachs and an influeotial bullish commentator, said that positive economic data over the past two weeks would keep the Dow within a "trading range of between 6,500 and 7,300" for the foreseeable future. Significant upturns beyond this range were unlikely until "investors felt comfortable witb 1998 earnings", sbe said.

Signs of a rebound among the larger computer groups lifted the technology-driven Nasdaq composite index, wblcb gained 12.00 to 1,347.55. Signs of recovery were welcomed after a difficult week in which the index had lagged behind the larger company indices.

The S & P 500 rose 2.78 to 838.82 while the Russell 2000 index of smaller company shares was flat at 365.07.

IBM continued to flirt with its all-time high with a $1¼ increase to $175¼, just 37 cents away from its peak.

intel, the largest semiconductor group, led the charge in the Nasdaq after suffering sharp falls earlier thie week wbsn Digital Equipment launched a lawsuit alleging patent infringements. It had risen almost 3 per cent or $4¼ to $157¼ at midday. Other technology companies to benefit from the rebound included Gateway 2000, which rose $4 or 9 per cent to $65⅝.

Among the smaller technology shares, Informix rose almost 14 per cent or 1\frac{5}{16}$ to $10¼ on renewed speculation that the troubled database software company was going to be taken over. The rise followed an 11 per cent increase on Tuesday after Microsoft and Netscape were rumoured as potential suitors. The California-based company had suffered several executive defections and lawsults from aggrievad ehareholders.

TORONTO clawed back early losses to end on the upside after a morning of fairly directionless trading. At noon, the 300 composite index wae 10.42 better at 6,258.60.

There were scattered gains among leading industrials. Alcan Aluminium added 45 cents at C$49.10, Seagram 15 cents at C$52.80 and Newbridge Networks 35 cents to C$47.35. Golds hardened, with Barrick gaining 10 cents to C$34 and Placer Dome 20 cents to C$25.60.

Financials showed little change. Toronto-Dominion Bank dipped 5 cents to C$40.65.

Sao Paulo recovers

SAO PAULO rallied strongly to erase some two-thirds of Wednesday's losses by the close of the morning. At midsession, the Bovespa index was up 265 or 2.6 per cent at 10,548 having tumbled nearly 3.5 per cent tbe previous day.

Telebras, down more than 4 per cent on Wednesday, led the rebound, surging R$4.10 to R$133.80. Petrobras was also in tbe thick of the action, climbing R$4 to R$175 in what dealers saw as heavy two-way trading.

"The political scandal involving the minister for communications bas not gone away and will continue to dictate direction in the short-term. But the market clearly fell too far and too fast yesterday," said one broker.

MEXICO CITY made more modest upward progress. At midsession the IPC index was 4.84 higher at 3,899.04.

South Africa sharply lower

Jobannesburg moved steeply lower as a profits warning from a leading stock sparked profit-taking and took the shine off news of a potentially big mining deal. Tbe all-sbare Index closed off 41.4 at 7,173.1.

In moderate volume, the market drifted lower from the opening bell. Industrials slid 53.3 to 8,440.6, but selling pressure was said by one broker to have been relatively limited.

CG Smith moved lower after announcing first half results that contained a profits warning, bnt tbe shares pulled back to close unchanged at R84.50.

News of a possible new shareholder for Gold Fields failed to cbeer the broad mining sector. Dries gained 85 cents to R41.90 after New Africa Investment announced talks aimed at taking a stake In Gold Fields, in which Dries has a 40 per cent bolding. Golds Fields added R8.25 to R118. The golds index came off 15.4 at 1,254.7.

German tax shortfall weighs on equities

EUROPE

Worries about an estimated DM18bn shortfall in domestic tax revenues, and its potential implications on Germany's leading rola in the eingle European currency made for subdued performance in **FRANKFURT**. After e day in which corporate reports also failed to lift spirits, the Dax index finished 23.72 weaker et an Ibis-indicated 3,564.85.

Volume fell again, from DM18.1bn to DM10.7bn. In chemicals, BASF tumbled DM2.35 to DM65.35 after first quarter results on the low alde of expectations. Switching lifted Hoechst by DM1.03 to DM66.69.

Against the trend, Lufthansa collected 53 pfg or 1.8 per cent to DM29.55 on the news that five airlines, led by the German carrier and United Airlines of the US, had launched one of the world's most powerful groupings.

Carmakers were weak in spite of higher new car registrations in April. BMW, trading ex-dividend, lost a net DM37.50 to DM1,430 in spite of a provisional 17.4 per cent rise in five-month sales and a near 8 per cent rise in vehicle deliveries in the January to May period.

Thyssen benefited from speculation that the government would use the Transrapid advanced rail technology, which the company is involved in developing, to link Hamburg and Berlin. The shares picked up DM6.25 at DM383.25.

A 79pfg fall to DM38.53 in Deutsche Telekom was attributed to a broker's downgrade.

Hoctief added to Wednesday's 7.1 per cent climb, with another of DM2.70 or 3.6 per cent to DM77.70 in further response to raised estimates and upgraded recommendation from Goldman Sachs for the construction company.

PARIS notched up another record after a day of narrow trading in low volume. Total and Peugeot were again strong features, and at the close the CAC 40 index was up 1.38 at 2,776.01.

Peugeot, which bounced along with the sector on Wednesday, rose another FFr29 to FFr673 for a two-day gain of 9 per cent. There were no obvious reasons for the surge and scant volume. Brokers said that the stock, the sector laggard, was probebly dua for a catch-up.

Total gained FFr17 to FFr559, extending its rally to more than 8 per cent in two sessions. Franch analysts were said to have upgraded estimates for the block 14 Angolan oilfield in which Total has a 20 per cent stake. The shares were also driven by rumours of a gas find in Asia.

On the downside, Bic came off FFr11 to FFr879, Pernod Ricard by FFr5 to FFr308 and Rhdne Poulanc by FFr2.70 to FFr194.50.

AMSTERDAM dipped, the AEX index easing 1.84 to 785.02 in a mixed session dogged by thin volumes. Heineken was a weak spot but Aegon and Nedlloyd were buoyant.

Heineken was hit by a further wave of bearisb talk about slowing beer demand and rising costs. The shares fell Fl 6.90 or 2 per cent to Fl 334.

Aegon responded to robust results with a gain of Fl 2.10 to Fl 143.70.

Nedlloyd steamed ahead by Fl 2.50 to Fl 47.50. At 5.6 per cent, this was the day's best performance and seemed to anticipate an upbeat report when the group delivers first-quarter results on Wednesday.

ZURICH hit a fourth consecutive record high, the SMI index recovering from a weaker start to close 7.4 stronger at 5,141.7. In banks, UBS rose SFr27 to SFr1,493 on switches from SBC and CS Group; SBC fell SFr1 to SFr343.50 although analysts liked its plans to buy the US investment bank, Dillon Read, for around $600m.

In pharmaceuticals, Roche certificates rose SFr220 to SFr13,200 on news of US Food and Drug Administration approval for the company's weight loss treatment, Xenical, seen as an important decision given the high research and development costs for the drug.

Nordic shipping and transport shares had a mixed day. In **COPENHAGEN**, the KFX index peaked again, 1.15 higher at 165.85; and the charge was led by AP Moeller's D/S Svendborg B and D/S 1912 B, up DKr9,333 to DKr329,333, and by DKr7,000 to DKr234,000 respectively.

Dealers said that this was a knock-on effect after better than expected results from Bergesen, the Norwegian shipping heavyweight. Unfortunately, Bergesen A had already had their run, gaining 12 per cent since April 28, and they fell back NKr2.50 to DM159.50 in **OSLO** after a 21 per cent gain in first-quarter operating profits came down to a drop of 16 per cent at pre-tax level, due to losses on foreign exchange.

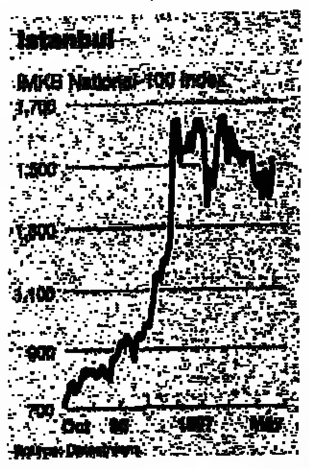
Oslo's total index fell 3.32 to 1,117.60. In **STOCKHOLM**, where the general index hit a new high of 2,801.15, up 22.81, the transport group, ASG, hit a year low of SKr128, down SKr8. ASG said during trading hours that it was re-assessing its ocean and air cargo partners around the world; after hours it reported a first-quarter trading loss.

The broad market was lifted by rallies in pharmaceuticals and in Autoliv, the car safety equipment maker. Astra A leapt SKr8.50 to SKr323.50 and Autoliv by SKr10.50 to SKr358.50.

Trelleborg, the metals and mining group, gained SKr55.50 to SKr187.50 on speculation about the spin-off of its Boliden unit. But Celsius, Sweden's leading defence industry group, dropped SKr7 to SKr146.70 after it posted a 40 per cent slide in first-quarter profits.

ISTANBUL soared 5.4 per cent, adding to the previous session's 2.1 per cent rise, as investors were drawn back to the market by the prospect that a new secularist alliance might replace the ruling Islamist-led coalition government. The IMKB National-100 index jumped 78 to 1,515.

The market has had a volatile year, rocketing 75 per cent higher in January as hopes grew for an accelerated privatisation programme after a court ruling opened the way for the Turk Telekom. More recently, tensions between the government and the military have made for a rocky performance.



Written and edited by William Cochrane, Michael Morgan and Jeffrey Brown

FTSE Actuaries Share Indices

May 15 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FTSE Eurotrack 100	2328.30	2328.70	2328.81	2328.17	2327.12	2328.97	2327.95	2328.95
FTSE Eurotrack 200	2365.63	2364.32	2367.54	2361.90	2360.97	2362.91	2365.68	2367.57

	May 14	May 13	May 12	May 9	May 5
FTSE Eurotrack 100	2328.47	2315.77	2294.95	2287.77	2286.39
FTSE Eurotrack 200	2370.98	2360.31	2342.13	2329.48	2330.54

Base value 1000 (26/10/90) High/day: 100 - 2331.49; 200 - 2370.28 Low/day: 100 - 2325.03 200 - 2360.62 † Partial.
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Slide in baht upsets neighbouring markets

ASIA PACIFIC

The currency and share market crises in Thailand washed over into a number neighbouring countries, wbere currency concerns mounted in the wake of the recent steep alide in the baht.

KUALA LUMPUR fell 3.9 per cent with the composite index closing down 31.22 at 1,041.37. At one stage, the index touched a 16-month low of 1,023. **MANILA** tumbled nearly 2.8 per cent as the central bank raised overnight rates sharply in the face of a wobble for the peso. The composite index ended 74.83 lower at 2,631.09. **JAKARTA** was hit by rising political tension following the problems in Thailand. The composite index fell 13.30 or almost 2 per cent to 656.99.

BANGKOK ended 2.4 per cent lower after late buying by local funds pulled the SET index back from losses of 4 per cent. The SET closed off 13.43 at 557.87 to extend its decline since mid-April to 22 per cent.

After a weak start, the baht recovered some ground against the dollar. The central bank, which said it had no plans to devalue, was said to be in the market for most of the session.

Financials continued to bear the brunt of the slide. Bangkok Bank ended off Bt7 at Bt149 on turnover of Bt312m. Thai Farmers lost Bt2.50 to Bt97.50 and Siam Commercial shed Bt5 to Bt115.

TOKYO fell on the dollar's renewed slide against the yen, as domestic institutions took profits on blue-chip exportera, and as financial issues reflected the Nomura Securities scandal and concerns about the banking system, *writes Gwen Robinson*.

The Nikkei 225 average closed 153.41 lowar at 20,056.31 after moving between 19,854.99 and 20,162.22. Following Wednesday's closing high for the year, selling of blue-chip exporters accelerated as the dollar headed toward the Y115 level. Recent buying interest in domestic demand-related sectors, including retailers and real estate, failed to offset the slide.

Financials fell on further arrests connected with the Nomura illegal trading scandal and fresh concerns about the health of Japan's banks, and as indications that Sumitomo Trust & Banking, euspanded on Wednesday, was considering equity finance fuelled concerns about an excess supply of bank shares.

The securities house sector fell nearly 3 per cent with Nomura, the day's most active stock, retreating for the third consecutive day at Y1,390, down Y90. Yamaichi Securities fell Y23 to Y327. Among trust banks, Toyo fell Y60 to Y837, Mitsui by Y31 to Y850, and Mitsubishi by Y40 to Y1,550.

In carmakers, heavily sold, Toyota fell Y120 to Y3,540 and Honda shed Y70 Y3,710. Electrical and higb tech stocks saw Sony fall Y80 to Y9,750, TDK Y140 to Y8,890 and Canon Y70 to Y2,930.

Real estate issues fared well in spite of poor earnings for the year to March. Mitsui Fudosan added Y30 to Y1,500 and Mitsubishi Estate Y20 to Y1,660. Sumitomo Realty firmed Y26 to Y969 in spite of Thursday's announcement that recurring profit for the year plunged 76 per cent.

Volume edged up from 421m shares to an estimated 423m. Declines led advances by 677 to 443 with 131 unchanged. The Topix index of all first-section stocks slid 13.13 to 1,489.18 and the capital-weighted Nikkei was down 3.20 at 289.45.

In Osaka, the OSE average fell 179.0 to 20,823.64 in volume of 32m shares. In London, the ISE/Nikkei 50 index eased 1.14 to 1,571.69.

SINGAPORE started its sell-down after the Monetary Authority of Singapore stepped in to prop up the struggling baht, and as concerns grew among fund managers about their regional exposure. The Straits Times industrial index fell 28.52 or 1.4 per cent to 2,069.74.

HONG KONG took profits after nine consecutive gains, the Hang Seng index coming back 111.68 to 14,041.90 after a low of 13,936.45 in late trade. HSBC led the market lower with a drop of HK$5 to HK$218.

SEOUL acted on the strength of the yen against the dollar, investors betting that core manufacturing blue chips would benefit. The composite index climbed 16.09 or 2.35 per cent after Tuesday's 1.75 per cent gain and a holiday on Wednesday. Turnover was heavy at Won742bn.

A strong yen makes Korean goods, from carmakers to steel products, more competitive in global markets; the sub-index for large-cap stocks rose by 3.3 per cent.

TAIPEI ended well down after a day of volatile trade. The weighted index gave up 185.52 or 2.3 per cent to 7,996.10 in turnover of T$120.8bn. The electronics sector, hit by severe profit-taking, fell almost 6 per cent.

SYDNEY saw heavy selling of bank shares and at the close of the session the All Ordinaries index was down by 5.4 at 2,525.0.

Shares in the big four banks all fell as investors were said to have reassessed the sector. NAB fell 28 cents to A$18.11 after reporting in-line results but warning it "will struggle" to sustain record profit this year. Westpac came off 13 cents to A$7.32 and Commonwealth 13 cents to A$14.65. ANZ shed 4 cents to A$8.43.

WELLINGTON hardened, with the 40 capital index adding 9.73 at 2,310.72. NZ Telecom, the most actively traded stock, lost a cent to NZ$6.62. Fletcher Energy jumped 12 cents to NZ4.65 after the discovery of gas at its Brunei well. Lion Nathan put on 3 cents to NZ3.55.

FT/S&P ACTUARIES WORLD INDICES

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NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	WEDNESDAY MAY 14 1997 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	TUESDAY MAY 13 1997 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (76)	231.52	0.0	209.25	173.17	204.69	187.92	-0.1	3.84	231.49	210.26	174.09	204.21	188.05	231.52	188.44	208.75
Austria (24)	192.42	0.2	173.91	143.92	170.12	170.07	0.4	1.88	192.12	174.56	144.52	169.52	169.47	195.04	174.70	184.99
Belgium (26)	248.20	-0.1	224.32	185.64	219.44	214.90	0.1	3.33	248.46	225.73	186.90	219.23	214.64	248.46	208.70	207.55
Brazil (30)	249.18	-3.0	225.20	186.37	220.30	489.57	-3.0	1.46	256.86	233.36	193.21	226.64	504.57	256.86	152.65	164.16
Canada (113)	199.43	0.0	180.24	149.16	176.32	200.12	-0.1	1.85	199.34	181.11	149.95	175.89	200.24	203.31	164.12	164.22
Denmark (32)	381.00	0.2	344.34	284.97	336.95	335.57	0.4	1.51	380.29	345.51	286.06	335.55	334.27	381.00	291.89	291.89
Finland (26)	268.52	0.4	242.68	200.84	237.40	289.12	0.7	1.58	267.38	242.92	201.12	235.92	287.12	268.58	186.67	186.93
France (91)	230.82	1.5	208.61	172.64	204.07	207.44	1.7	2.75	227.44	206.63	171.08	200.68	203.94	230.82	186.94	195.04
Germany (59)	211.04	-0.7	190.74	157.95	186.59	186.59	-0.5	1.52	212.53	193.09	159.87	187.52	187.52	212.53	168.85	168.85
Hong Kong (66)	499.86	1.2	451.76	373.87	441.93	498.45	1.2	3.04	493.82	448.65	371.46	435.72	490.74	514.49	407.56	424.74
Indonesia (27)	233.75	-1.2	211.26	174.83	206.66	349.10	-0.8	1.64	236.50	214.85	177.90	208.67	352.41	-	-	-
Ireland (16)	346.73	0.1	313.36	259.33	306.55	320.83	-0.2	2.99	346.31	314.63	260.50	305.57	321.67	348.73	270.06	278.21
Italy (59)	91.18	1.2	82.41	68.20	80.62	114.06	0.9	2.19	90.11	81.87	67.78	79.51	112.99	96.32	73.26	83.17
Japan (485)	130.20	0.7	117.67	97.38	115.11	97.38	0.1	0.81	129.32	117.49	97.28	114.11	97.28	159.23	107.57	155.90
Malaysia (107)	521.94	-1.4	471.72	390.39	461.46	507.03	-1.2	1.24	529.24	480.83	398.10	466.98	513.04	560.85	512.47	567.59
Mexico (27)	1400.22	-0.7	1265.49	1047.29	1237.96	12079.03	-0.8	1.20	1410.00	1281.02	1060.62	1244.11	12186.49	1445.69	1110.35	1278.15
Netherland (19)	372.95	0.9	337.06	278.94	329.73	325.63	1.1	2.40	369.58	335.77	278.00	326.10	321.99	372.95	279.88	292.00
New Zealand (14)	87.61	0.1	79.18	65.52	77.45	66.87	-0.0	4.25	87.48	79.48	65.81	77.20	66.87	95.60	75.94	80.82
Norway (41)	302.95	-0.6	273.80	226.59	267.86	289.71	-0.2	2.13	304.80	276.92	229.27	268.94	290.44	321.23	245.72	245.01
Philippines (22)	161.98	2.7	146.39	121.15	143.21	212.91	2.7	0.87	157.77	143.34	118.68	139.21	207.34	-	-	-
Singapore (42)	400.79	0.4	362.23	299.77	354.34	265.18	0.4	1.07	399.09	362.58	300.20	352.14	264.23	448.01	380.06	428.55
South Africa (44)	362.30	0.0	327.44	270.98	320.32	354.92	0.4	2.38	362.19	329.06	272.44	319.58	353.59	370.12	301.49	365.97
Spain (35)	248.45	-0.4	224.55	185.83	219.66	270.31	-0.3	2.42	249.45	226.63	187.64	220.10	271.09	249.45	171.91	174.94
Sweden (49)	449.46	1.4	406.21	336.17	397.37	508.09	0.6	2.06	443.27	402.72	333.43	391.12	503.22	449.46	334.35	348.11
Switzerland (35)	288.03	0.7	260.32	215.43	254.66	257.23	0.9	1.30	286.12	259.95	215.22	252.46	254.85	288.03	229.38	234.70
Thailand (43)	62.41	-6.6	56.40	46.68	55.17	62.86	-6.5	4.96	66.82	60.71	50.26	58.96	67.25	182.14	62.41	182.14
United Kingdom (211)	303.18	0.4	274.00	226.75	268.04	274.00	-0.1	3.80	302.04	274.41	227.20	266.51	274.41	303.18	229.83	231.42
USA (652)	338.16	0.4	305.66	252.94	299.00	338.16	0.4	1.80	336.96	306.13	253.46	297.31	336.96	338.74	254.79	271.41
Americas (822)	309.07	0.3	279.33	231.16	273.25	260.29	0.3	1.80	308.16	279.96	231.79	271.90	259.53	309.69	239.09	248.02
Europe (725)	262.55	0.5	237.28	196.37	232.12	241.67	0.3	2.62	261.35	237.45	196.59	230.61	240.88	262.55	204.71	207.69
Nordic (150)	387.25	0.8	349.99	289.64	342.37	377.83	0.5	1.91	383.97	348.85	288.83	338.80	376.05	387.25	291.45	295.83
Pacific Basin (882)	148.41	0.8	134.13	111.00	131.21	110.99	0.1	1.29	147.56	134.07	111.00	130.20	110.64	171.79	127.18	169.10
Euro-Pacific (1607)	196.02	0.5	177.15	146.61	173.30	160.32	0.2	2.03	195.03	177.19	146.70	172.08	159.93	198.02	173.55	185.07
North America (765)	329.65	0.3	297.93	246.56	291.46	329.03	0.3	1.81	328.50	298.45	247.10	289.85	327.89	330.20	248.65	264.75
Europe Ex. UK (514)	235.00	0.5	212.39	175.77	207.77	218.87	0.8	2.06	233.82	212.43	175.89	206.31	217.56	235.00	156.65	189.66
Pacific Ex. Japan (397)	305.09	0.2	275.74	228.18	269.74	265.57	0.2	2.78	304.36	276.52	228.94	268.55	264.97	320.66	268.97	291.65
World Ex. US (1821)	199.08	0.4	179.82	146.90	176.01	166.35	0.2	2.02	198.23	180.10	149.11	174.91	165.04	199.08	176.94	186.45
World Ex. UK (2262)	237.56	0.4	214.70	177.68	210.03	209.78	0.3	1.73	236.61	214.97	177.98	208.77	208.12	237.56	199.58	210.80
World Ex. Japan (1988)	301.20	0.3	272.22	225.26	266.30	290.43	0.3	2.14	300.17	272.71	225.79	264.86	289.58	301.20	233.10	244.15
The World Index (2473)	243.15	0.4	219.75	181.86	214.97	215.81	0.3	1.92	242.19	220.03	182.17	213.69	215.04	243.15	202.32	212.69

Latest prices were unavailable for this edition.

RECRUITMENT

A survey shows that a third of European employees are dissatisfied, says **Robert Taylor**

Europe's unhappy world of work

Emplnyee satisfaction is "one of the key corporate priorities of the 1990s" as it has become clear that "competitive levels of customer service cannot be achieved by dissatisfied or disengaged" workers, according to the latest annual survey of worker attitudes carried out by International Survey Research, the European consulting group.

Motivated and committed staff are crucial for achieving organisational success as workers are a company's most important asset, it adds. Such views may seem unexceptional in any management guide of how companies ought to relate to employees if they want to be effective.

But – as so often in human resource management – the bullish rhetoric seems unrelated to reality. The survey suggests nearly a third of people at work in Europe are dissatisfied. The sample covers 450 companies employing more than 9m workers in 18 European countries.

As many as 70 per cent of the respondents may be satisfied with their job and their working relationships while almost as many belleve thay operate efficiently and identify with their company whila working in safe conditions. Such a degree of worker contentment may seem surprising.

But not all is well among European employees. Less than half were satisfied with their level of pay (41 per cent) or their benefits (46 per cent). The survey also found that just under half (47 per cent) are concernad their employers do not do enough to keep them informed about matters that affect them.

However, such overall figures mask wide differences between employee attitudes in European countries. Two-thirds of those asked in Switzerland and Denmark expressed general satisfaction, followed closely by Norway, the Netherlands and Austria. Such findings suggest small is best. By contrast the least satisfaction was found in the UK (53 per cent), Italy (54 per cent), France (56 per cent) and Spain (57 per cent).

Danish employees were particularly satisfied with the training they recelved, their career development opportunities, the effectiveness of their company's communications, their workplace relationships and their pay. But they were noticeably less satisfied with the level of non-wage benefits.

At the other end of the satisfaction stakes, British workers were among the most discontented. "Despite significant attempts at corporate restructuring and re-engineering, employee attitudes towards the organisation and the efficiency of their work are among the least favourable in Europe," says the report. "Despite a strong commitment to total qnality management in many companies, attitudes to the quality of work performance are more critical than in any other European country."

Nor were British employees satisfied with the training they were given by companies. British managers were rated less favourably by their own employees than in almost any other European country. Moreover, British workers feel more insecure than elsewhere.

Surveys of satisfaction among European employees have been carried out by ISR since 1990 so the company can provide a substantial amount of material on bow employee attitudes have changed over time. It seems that employee satisfaction has grown over the past seven years in Switzerland (+3 per cent), Spain (+3 per cent) and Italy (+2 per cent). In contrast there has been a marked fall in satisfaction among workers in the UK (-3 per cent), Belgium (-2 per cent) and France and Germany (both -1 per cent).

"UK employees are markedly more critical of their company managements than they were, their levels of ideotification with their companies are much weaker and they are significantly more concerned both about the nature of their future with their companies and indeed whether they have a future with them at all," says the survey. This ought to caution those who admire the flexible UK labour market model and contrast it favourably with employee relations in mainland Europe.

However, there is some evidence of convergence with a significant decline in employee perceptions of the security of their jobs across Europe in the 1990s. "This is neither an isolated nor a transitory phenomenon and reflects a fundamental change in the nature of the employment relationship," notes the report. "This is having and will continue to have a profound effect on employeea' psychological contract with their employers and their attitudes towards their work."

The report is free from Internationol Survey Research Ltd, Albany House, Petty France, London SWIH 9EE

Social standing

Comparative studies of political economies tend to be difficult because perhaps inevitably there is a tendency to rate them competitively.

For a long time the German social market model was widely admired, linking business efficiency with employee participation. But with unemployment as high in number as it was in the last days of the Weimar Republic in 1932, the UK-US flexible neo-liberal model has grown seemingly more attractive as a joh creation machine. A lumbering, over-hureaucratic Germany is contrasted with a lightly regulated UK. In the struggle between regulation and voluntarism, the UK looks better equipped to respond than Germany.

But all is not perhaps what it may seem. Later this year an important study will be published by the Anglo-German Foundation for the Study of Industrial Society which compares systems of corporate governance between companies in both countries.

This report promises to provide badly needed empirical evidence for the debate over tha competing models. The survey concentrates on banking and financial services, airlines and aerospace, pharmaceuticals and engineering. Preliminary findings suggest the pressure for reform, particularly in the financial markets, is growing in Germany due to the prospect of a common European currency and the apread of globalisation while the status quo is being stoutly defended in the UK where the voluntary approach is preferred.

In a study of how British Airways and Lufthansa have restructured in the face of financial ruin, BA's chairman Lord King is seen as an admired catalyst for change in the early 1960s because he was able to impose sweeping rationalisation on employees without recourse to mnch consultation.

However, when faced with a aimilar financial crisis 10 years later, Lufthansa was able to transform itself in a similar way and speed with the full-hearted co-operation of staff. Such research suggests that the formalised system of consultation imposed by Germany's statutory works councils is not an obstruction to the corporate change required by technological innovation and global competitiveness but often a necessary institutional means of expediting reform and even initiating it.

A static textbook view of the German model is misleading because it neglects to emphasise its undarlying dynamiam. The fact that Germany remains the second largest exporter in the world suggests tbat criticisms of its inertia and rigidity may be misplaced.

Project Finance

Head of Telecommunications

London — **Six figure package**

Our client is a leading international bank with a highly respected, successful and profitable Project Finance group which provides both arranging and advisory services. The group focuses on a team basis on specific sectors and is now seeking an experienced banker to head up and lead the Bank's drive into the telecommunications sector.

The Role

- Assume full responsibility for the execution of project finance mandates in the telecommunications sector.
- Marketing and business development in order to secure debt arrangement and underwriting roles, as well as advisory mandates.
- Responsibility for all aspects of negotiation and structuring transactions.
- Provide other services and products to telecommunication clients, such as corporate finance.
- Manage, develop and grow the Bank's telecommunications team.

The Candidate

- Likely to be aged at least 30.
- Significant banking experience, with a track record of underwriting and lead-arranging transactions.
- In depth knowledge of the telecommunications sector.
- Sound negotiating and transactional skills.
- Strong technical knowledge of credit risk and financial modelling.

This position offers considerable responsibility in a challenging and dynamic environment. For the successful candidate a highly competitive salary and banking benefits package will be offered.

Interested candidates should contact Simon Lewis or Tim Smith on 0171 269 2316 or write to them enclosing full curriculum vitae at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax 0171 405 9649. Please quote reference number 348896.

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Opportunities in Project and Export Finance

Salary £25K – £35K Plus Excellent Benefits

Dresdner Kleinwort Benson is a leading integrated investment bank. It is part of the Dresdner Bank Group, Germany's second largest bank and one of the leading banking groups in Europe.

Our Project and Export Finance business is recognised as a market leader, with a reputation for supplying excellent advisory and arranging services to a large international client base.

We are looking to recruit a small number of high calibre individuals to help expand our project finance activities. Successful candidates will be given the opportunity to fulfil their potential by becoming deal leaders of the future through a combination of modelling experience (on both the advisory and lending sides of the business) and a tailored training and development programme.

We would be very interested in applications from candidates who have either successfully completed a graduate training scheme with a clearing bank, or have recently qualified as Chartered Accountants. Applicants will need to demonstrate excellent communication skills combined with the ability to solve unique problems by applying investment appraisal techniques to deliver original solutions in a strong team environment.

These exciting opportunities offer a highly competitive salary and bonus structure, and a comprehensive benefits package.

Please send a C.V. and covering letter to Ms. Jessica Brown, Personnel Department, Kleinwort Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

Dresdner Kleinwort Benson
Member of the Dresdner Bank Group

Project Development Manager(s)

Leading Independent Power Producer

AES Electric, a fully owned subsidiary of the AES Corporation of the US, has a need for up to two Project Development Managers to be based in their Richmond office to cover business/project development activities in Europe and Africa. The focus at present would be Central and Eastero Europe working both on existing and new projects in development. Work is extremely varied and unstructured with plenty of opportunity to take on important responsibilities. Task areas include: bid preparation, financial modelling, strategic planning, preparation of feasibility studies, contract negotiations, fuel procurement analysis, project financing and relationship building. Significant travel abroad is likely. Work is done in small teams, with a great deal of autonomy, and AES has a very flat reporting structure.

A successful candidate is likely to bave a technical first degree and a post graduate business qualification (MBA preferred) with around three years working experience, ideally in the energy and/or power sector. Analytical ability, numeracy and being a team player are essential and the successful candidate should have a bigh level of interpersonal and presentation skills. Proficiency in more than one language would be advantageous.

AES is one of the largest independent power producers in the world with activities in over 35 countries. AES bas ownership interests in 34 power plants totalling 11,000 MW in USA, UK, Hungary, Argentina, Brazil, Kazakstan, Pakistan and China. Revenues in 1996 were $835 million and net income $125 million. AES offers a competitive UK compensation package pension contributions, private health care and supplementary insurances.

Interested candidates should write to Michel Linney at the following address before 6th June,, 1997: AES Electric Ltd, 17-19 Worple Way, Richmond, Surrey TW10 6AG, England.

Barclays Global Investors

Head of Public Relations

Excellent Salary + Benefits — **City**

Barclays Global Investors is one of the largest investment management groups in the world. It has assets under management of £225 billion and offers both indexed and advanced active investment strategies. Given Barclays Global Investors' strategy for growth and impressive performance record, we wish to appoint a high-calibre individual both to raise the group's profile and to manage its public relations in London.

THE POSITION

- Raise the Group's profile in the press and investment community by developing and effecting a public relations policy.
- Manage press relations across Europe. Liaise with international offices regarding Group worldwide public relations.
- Foster and implement internal communications policy across Europe. Contribute outstanding written material, including speeches, articles and press releases.

QUALIFICATIONS

- Strong academic background. Possibly graduate with a further qualification in a related field, such as journalism.
- 5-8 years' relevant experience within a respected PR/writing team either in-house or within agency. Financial services exposure advantageous. Successful track record in communications in international environment.
- Excellent written and verbal communication skills. Creative, committed, resourceful. Well disciplined and meticulous team player. European language skills helpful but not essential.

Please send full cv, stating salary, ref FS705A1FT, to NBS, 10 Arthur Street, London EC4R 9AY
Fax 0171 623 1525 Tel 0171 623 1520

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NB Selection – Financial Services — **NBS** — Selection and Search

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Head of Trading

Highly Competitive Package + Bonus — **UK Based**

Our client is a pioneer in the Financial Services sector servicing over 600,000 clients from individuals to institutions with over £900m under administration. Recently, the company has formed an alliance with a prestigious international investment firm with a view to establish the company's international presence. The firm operates within an entrepreneurial environment and has been commended for its outstanding service and execution as well as providing an innovative added value service to its customers.

The opportunity has arisen to recruit the Head of Trading who will be responsible for identifying and exploiting appropriate opportunities presented by the UK market's move towards order matching. This new role is part of the firm's overall strategy of revitalising the organisation from its existing framework. Furthermore, the individual will be in a position to grow the operation's effectiveness and capability as well as developing strategic relationships with market makers.

Reporting to the Managing Director, the candidate they seek will be used to working in an open, dynamic environment driven by high volume activity. Perhaps currently in a number two role, he or she will have the ambition and potential to grow into a board level post in the short term. The individual will bring previous market experience especially in order matching and will be adept at managing and motivating others. Specifically, the individual will develop and maintain operational responsibility.

This appointment represents an outstanding opportunity for an enthusiastic, focused individual who is capable of taking a broad overview and is keen to play a major part in a dynamic and growing operation.

To apply, please forward your CV, including salary details, to our advising consultant at Harvey Nash Plc, 13 Bruton Street, London W1X 7AH. (Tel: 0171 333 0033, Fax: 0171 333 0032.) Please quote reference number HNF181FT. You may also apply via http://taps.com/Harvey_Nash

HARVEY NASH

Exciting project based opportunities for finance and operations professionals:

Global Product Support

London — **Major European Bank** — **£excellent**

Our client is a leading international investment bank operating in 60 countries and employing more than 9,000 people. Headquartering its capital markets and securities trading activities in London, it provides a comprehensive range of products and services in bonds, equities, currency and interest rate swaps and options, and derivatives. The growth of these businesses and the development of new markets and products has created the need to hire two new high calibre support professionals.

Securities Products – Credit Derivatives and Emerging Markets

As part of a team of four covering securities products, the initial role will involve managing projects relating to the burgeoning credit derivatives business. Other tasks will include standardising systems to measure P&L and risk, and developing Emerging Market systems.

Derivative Products

Working on a broad range of issues connected to the equity and fixed income derivative business, including development in markets, exchanges, accounting technology and operational support. Setting up middle office support for new products, streamlining processes and developing systems.

For both of these positions, we are looking for individuals with a strong background (4 years+) in Finance (preferably qualified), Operations or Consultancy, with a sound knowledge of the relevant products and an awareness of the P&L, risk or settlement implications of trading activity. Candidates will be numerate and have a good knowledge of systems and experience of projects. To succeed in these roles, highly developed interpersonal skills and good written communication skills will be essential. Career prospects are excellent.

Please write to Joe Thomas, quoting ref. 422 and enclosing a full Curriculum Vitae that includes contact telephone numbers. All applications will be handled in the strictest confidence.

76 Watling Street
London
EC4M 9BJ

BBM SELECTION

Tel: 0171-248 3653
Fax: 0171-248 2814
E-mail: 422@bbm.co.uk

JAPANESE ANALYST/INVESTMENT MANAGER

Competitive Remuneration — **Partnership Prospects**

Silchester International Investors, a private company specialising in international portfolio management for U.S. pension funds, endowment and family clients, seeks to recruit a specialist in Japanese equities.

The likely candidate will require a good academic background, 2-5 years' experience of Japanese securities and a thorough understanding of fundamental analytical techniques. A knowledge of Japanese language and culture would be an advantage.

With $2 billion of equity funds under management, a successful track record and a strong growth path, Silchester offers an attractive professional environment, competitive remuneration and partnership prospects to the right candidate.

Please write with a full CV, to Mrs. Penny Bester, Personnel Manager,
Silchester International Investors Limited,
Heathcoat House, 20 Savile Row, London W1X 1AE.

SILCHESTER INTERNATIONAL INVESTORS

Global Financial Services Marketing

Luxembourg — ***Highly Attractive Package***

Our client is a major international bank providing customers world-wide with innovative, competitive securities services. With continued expansion in both its customer base and product portfolio, they are looking to strengthen their Product Development team by making the following appointments.

Product Manager

Our client is looking for two Product Managers, one concentrating on securities clearing and settlement products, the other on cash products. Both will be responsible for managing a team in developing products to gain competitive advantage and market share. This will involve defining and developing functional requirements and devising an overall strategy for products and services, liaising with customers and sales and marketing functions.

You will have a minimum of 8 years' relevant experience gained in an international banking environment. Strong analytical skills are a prerequisite.

Network Security Product Manager

You will be responsible for the product management of the network security features of the customer connectivity solutions offered by our client. This will include the definition of the architecture and of the products required to support it; contributing to a centre of expertise; and providing customer feedback.

You will have a minimum of 5 years' experience of network communication security development, and ideally will have gained this in an International Clearing and Settlement business. Excellent project management skills are essential.

If you are seeking great career prospects, an excellent salary and benefits package including relocation, and the opportunity of living and working in the wonderful principality of Luxembourg, then write to me Insel Jemal at Human Resource Partnership, Atlantic House, 351 Oxford Street, London W1R 1FA. Tel +44 (0) 171 409 0699. Fax +44 (0) 171 499 4285.

HRP SEARCH & SELECTION

中銀國際
BANK OF CHINA INTERNATIONAL

Bank of China International (UK) Limited ("BOCI") is based in London and is the recently-established investment banking subsidiary of the Bank of China which has the largest international network of any Chinese bank. The activities of BOCI are focused exclusively on the PRC and Hong Kong and include both primary and secondary equity and debt capital markets, as well as the provision of project and corporate advisory services to foreign investors seeking access to the PRC. BOCI is now recruiting specifically for its Project Finance and Corporate Finance departments. It would be an advantage for candidates to speak Mandarin.

Project Finance

Our objective is to have 2/3 project finance specialists with proven industry expertise in energy (particularly electricity generation), transportation (particularly aircraft finance) and telecommunication. Successful candidates will have had hands-on experience in individual projects from initiation though to completion. Patience and good negotiating skills are significant assets as is experience with export credit agencies and supra-national funding organisations. We are also planning to hire three research analysts with strong computer and modelling skills. Industry expertise is a definite plus.

Corporate Finance

We are initially seeking to recruit 2 Senior Executives and a number of Associates to be based in our London office, although a certain amount of travel can be expected. The focus will be to obtain business from European multinationals seeking entry/access into China; the execution of deals in conjunction with colleagues in China/Hong Kong and providing assistance in the origination of primary market issues for PRC/Hong Kong companies, particular those which are accessing the international capital markets and seeking to obtain a listing in London.

Project Finance Specialists

3-5 years experience in project finance, from initiation to completion.

Specific industry expertise and good grasp of the technology involved.

Strong negotiating skills and established contacts with ECAs and international development funds.

Willingness to travel and work abroad for extended periods.

Research Analysts

Strong academic background, with relevant concentration such as economics, engineering and mathematics.

2 years relevant work experience, preferably in target industrial sectors.

Computer literacy in modelling packages and ability to create computer driven presentations.

Strong financial modelling skills

Senior Executives

A minimum of 5 years relevant corporate finance experience.

The ability to manage assignments and bring them to a successful conclusion.

Good presentation skills (both written and oral)

Good analytical and financial skills

Associates

A minimum of 2 years relevant experience

The provision of strong technical and quantitative support in preparing presentations and executing transactions.

Good financial modelling skills.

Interested candidates should write a covering letter giving current compensation and enclosing a full curriculum vitae to:
Stella Socratous, Bank of China International (UK) Limited, One Canada Square, London E14 5AA.

BZW

BZW Deutschland
Branch of Barclays Bank PLC

As a result of continued growth, we are seeking an energetic and highly motivated individual (female or male) for our Frankfurt office, to fill the following position within our German Equities Division:

INDEX TRADER

We are looking for an experienced index trader to trade the German Dax index. We expect successful candidates to have:

- considerable experience with both exchange traded and OTC index options, as well as knowledge of index arbitrage
- experience with German dax index preferred
- an excellent academic track record
- a demonstrable record of success in their career
- strong computer modelling skills
- fluency in English, German language helpful but not essential.

We offer competitive salaries and performance bonuses. Applicants for this challenging position are invited to submit their full CVs to our Personnel Department. All applications will be treated in the strictest confidence.

BZW Deutschland, Branch of Barclays Bank PLC, Bockenheimer Landstraße 38–40, 60323 Frankfurt/M.

EQUITY RESEARCH - German and Swiss Markets

THE EUROPE COMPANY LIMITED

London based — **German speaker**

The Europe Company is a successful London based independent European stockbroking company that produces high quality, value-driven equity research on European companies. As a result of its expansion, the company wishes to hire two additional equity analysts. One analyst will focus on German companies and the other on Swiss companies. Candidates should be dynamic and proactive individuals aged in their mid to late 20's with good German language skills. The ability to write fluently in English is also important.

Previous equity experience from within the stockbroking or fund management environment would be preferable. However, candidates with relevant financial analysis skills gained in other disciplines such as corporate finance, accountancy or management consultancy, who are keen to develop a career in equity research, are also invited to apply.

Salary and bonus programme will be highly competitive.

To apply please write enclosing a detailed curriculum vitae, indicating your current remuneration package to: The Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference 431.

WHITNEY SELECTION

Treasury Management

Major International Investment Bank — **£excellent + bonus + benefits**

Our client is one of the world's most powerful and prestigious financial institutions and a pre-eminent force in global securities markets. The impressive growth of their well-established European operations has presented the firm's Global Treasury function with new challenges. To meet these challenges, they now need to recruit a key individual to further enhance the European Treasury management team.

The role will focus on the provision of advice and assistance to the European Treasury, which has responsibility for liquidity, debt, foreign exchange exposure and creditor relationship management for the bank's European operations. This will include the review and analysis of financing strategies, corporate structures and the optimisation of capital management. Management and development of a strong team of professionals will be a core element of the role.

A high calibre accountant or MBA, possibly MCT qualified, you will be able to demonstrate a strong understanding of treasury management and financing methodologies. Excellent interpersonal and man-management skills will be underpinned by sound numerate and analytical abilities.

The culture is meritocratic, team-orientated and highly professional, bringing excellent prospects for career development either within the Global Treasury function or in a senior financial management role elsewhere.

To find out more please write to Suzie Mummé, quoting Ref: 435, at BBM Selection, 76 Watling Street, London EC4M 9BJ, enclosing a detailed cv that includes daytime telephone numbers. All applications will be handled in the strictest confidence.

76 Watling Street
London
EC4M 9BJ

BBM SELECTION

Tel: 0171-248 3653
Fax: 0171-248 2814
E-mail: 435@bbm.co.uk

Assistant Fund Managers

UK/Europe & Pacific Equities

Attractive Salary & Profit Sharing Package — **City**

Superb opportunity for three talented professionals to join a highly successful London based team with an outstanding investment record.

THE COMPANY

- Rapidly expanding investment management company with prestigious institutional client list.
- Global assets of over $5 billion built up over 6 years of strong, consistent investment performance.
- High calibre, stable, professional investment team. Excellent record of career development.

THE POSITIONS

- Important roles exist in two of the company's regional teams, applying careful and rigorous fundamental analysis to country, sector and stock research.
- Immediate involvement in fund management, client liaison and marketing activities. Travel necessary.

QUALIFICATIONS

- Numerate graduate/professional with strong computing skills. Min 2 years' experience of detailed financial analysis.
- Some knowledge of either appropriate stock markets, or sectors an advantage. Relevant language skills helpful, not essential.
- Ambitious, confident team player. Excellent interpersonal and communication skills.

Please send full cv, stating salary, ref FS70501 for UK/Europe and FS70502 for Pacific, to NBS, 10 Arthur Street, London EC4R 9AY
Fax 0171 623 1525 Tel 0171 623 1520

Aberdeen • Birmingham • Bristol • City • Edinburgh • Glasgow • Leeds • London • Manchester • Slough • Madrid • Paris

NB Selection – Financial Services — NBS — Selection and Search

A BNB Resources plc company — ISO 9002 Registered

Global Fund Management
Analysts & Portfolio Managers

City — **£ Excellent**

Our client is a premier investment management arm of a major global US investment bank with significant funds under management. They have enjoyed substantial growth of their institutional client base and are now actively expanding their private client business. Due to this expansion, they now seek to recruit Analysts and Portfolio Managers to manage the increase in assets.

The successful candidates will be responsible for the investment of funds for high net worth clients. An exceptionally good track record in stock selection and the investment process is essential. This role involves a high degree of concentration on the analysis of global markets and investments and requires the intellectual capacity to generate and formulate clear investment ideas.

Candidates will be self-motivated individuals with a minimum of three years of experience gained within an investment management institution. You will currently be working in an institutional or private client investment management capacity. An enthusiasm for investment research and analysis and a disciplined analytical approach is essential. Client relationship skills are an advantage but not a primary requirement.

This is an outstanding and unique opportunity for ambitious individuals to actively contribute to the growth of the business and the continued success of the division. These roles will suit dynamic professionals with the intelligence and enthusiasm to succeed in a competitive and innovative investment management environment.

If you have a genuine interest and believe you possess the qualities sought, please telephone Sarah Hesse-Hunter on 0171 269 2314 for an informal discussion. Alternatively write to her enclosing a curriculum vitae at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Please quote reference 348944.

MP
Michael Page City
International Recruitment Consultants
London Paris Frankfurt Hong Kong Singapore Sydney

FINANCIAL ANALYST

at New York Branch of Merita Bank Ltd.
Finland's Largest Bank

Analysts work closely with lending officers to assess the strategic and financial prospects of target companies and industries. US commercial banking includes Western Hemisphere affiliates of Nordic firms, diversified syndicated participations, and direct lending in selected industries, particularly telecommunications.

Requirements: Fluency in Swedish and thorough familiarity with Swedish business environment; MBA, civilekonomexamen, or equivalent; strong academic record and ability to apply studies to practical situations; superior skills in research, analysis, oral, written, and interpersonal communication; and proficiency in relevant quantitative techniques.

Please send resume, cover letter, academic transcript of graduate studies, and a brief writing sample by May 28th to:

Analysis Group
Merita Bank Ltd
437 Madison Ave., 21st floor
New York, NY 10022, USA
Fax: (212) 421-4420

Further information available from Stephen Poppel, e-mail: poppels@meritany.com. Telephone (212) 318-9581.

GENERAL MANAGER

United Arab Emirates

A well established lube oil blending company located in the U.A.E. seeks a General Manager to supervise all aspects of the company's activities. The company is engaged in blending and marketing its own brand of lube oil as well as blending for multinational companies.

Write enclosing CV to:
Box A5421, Financial Times, One Southwark Bridge, London SE1 9HL

ECONOMIST - WATER REGULATION

ATTRACTIVE ■ WESTMINSTER

General Utilities plc is the UK corporate representative of the Générale des Eaux Group, a world leader in the long-term provision of utility and community services. In the British Isles, Group Companies employ more than 25,000 people and in 1995 had a combined turnover in excess of £1.5 billion.

Our four water companies, serving 3 million people, work closely with the regulator OFWAT. We are looking for an Economist to provide advice and support on all aspects of water regulation. Reporting to the General Utilities Controller, he/she will take a pro-active role in anticipating new trends in regulation and in helping Water Companies address regulatory issues. He/she will also keep abreast of regulatory regimes in other sectors and provide a regular flow of information and advice to Group Senior Executives.

We are looking for a graduate in Economics with 3-5 years' experience in an economist role. An MBA would be an advantage. Experience of regulatory matters and modelling skills, acquired in consultancy, the utilities sector or a related government area are essential.

The role demands a pro-active and commercial approach. French language skills would be an advantage.

■

Please send your CV stating current remuneration, and reference EWR/FT, to: Richard Black, Director of Human Resources, General Utilities plc, 37-41 Old Queen Street, Westminster, London SW1H 9JA. Tel: 0171 393 2726.

Closing date for applications: Friday 30th May 1997.

GENERALE DES EAUX

CARIBBEAN INTERNATIONAL/INSURANCE COMPANY, INC., seeks producers to represent a full range of insurance and financial products including, but not limited to, personal guarantee indemnities, construction/ performance bonds, surety bonds, a full range of credit enhancement products.
Send CV and/or company description via:

Email: clya@candw.ag or Fax 1-268-462-9526

BOND SALESMAN

South - East Asian based retail brokerage requires fixed income broker to service high net worth individual client base. Minimum 2 years experience in fixed income products required, ideally to an established private client base. The successful candidate must be an entrepreneurial, aggressive salesmen capable of marketing a variety of asset classes and willing to work in a high pressure selling environment. Exceptional compensation package negotiable based on experience.

Fax resume to
Ms. S Rojas on (632) 8135639

LATIN AMERICAN SPECIALIST

COMPETITIVE SALARY & BONUS PACKAGE **CITY LOCATION**

A rare opportunity for a disciplined, talented individual to join an expanding investment management firm to take responsibility for the Latin American portfolio.

THE COMPANY
- UK subsidiary of major international financial services group with over $40bn under management.
- Rapidly expanding assets under management.
- Excellent investment track record.

THE POSITION
- Play lead role in rigorous investment analysis of companies in the Latin American region.
- Be responsible, as part of a high calibre team, for identifying and researching investment themes.
- Ultimately take responsibility for the Latin American fund performance following the company's investment philosophy.

QUALIFICATIONS
- Good first degree and able to demonstrate outstanding analytical skills. Spanish and/or Portuguese linguistic proficiency will be an advantage.
- Two to three years' experience, either in the equities marketplace or accountancy or management consultancy and wishing to develop a career in investment management.
- Team player. Articulate. Energetic. Disciplined. Willing to study for industry qualifications.

Please write to Ref: LAS/235, Miller Leake Advertising, 50 Harvey Road, Farnborough, Hants GU14 9TW. All applications will be treated in confidence and forwarded to the consultant handling this assignment.

Miller Leake
ADVERTISING

Raymond James & Associates
European Equity Sales/Sales Trading, London

Raymond James & Associates is seeking an experieoced salesperson/sales trader to join its London-based European equities team, to service institutional accounts on a worldwide basis.

The candidate should have an established client base in one or more areas, and should have a proven record of the ability to generate ideas to clients; the ideal candidate will be dynamic, entrepreneurial, and excited by the possibility of genuinely open-ended remuneration, coupled with the chance to assist in building a business for themselves within a successful team.

Raymond James & Associates is a subsidiary of Raymond James Financial, located in St. Petersburg, Florida, with international offices in Brussels, Dusseldorf, Geneva, Londoo, Luxembourg, Nyon and Paris in addition to India and S. Africa.

Interested applicants should apply in confidence to:

Mark Abbott, Head of UK & European Equities
Raymond James & Associates
Neptune House, Triton Court
14 Finsbury Square,
London EC2A 1BR
Tel: (0171) 696 6163

RAYMOND JAMES
& ASSOCIATES, INC.
Member New York Stock Exchange/SIPC

Raymond James & Associates, Inc. Regulated by SFA

Fixed Income Sales

London *Highly competitive package*

This fixed income trading group is part of one of the premier European investment banks, whicb has developed an enviable reputation based on financial strength and sound strategic focus. The trading group itself has developed a atrong track record through the distribution and trading of Eurobonds across currencies. Due to expansion they are now looking to recruit additional salespeople to add to their existing team.

Working as part of the Fixed Income Sales team, the successful candidate will be responsible for generating and transacting Eurobond and fixed income business. Deals are transacted in all major currencies. Individuals should be established client relationship managers with a proven track record and with the ability to generate sales oriented ideas in a team environment. The position offers a high level of autonomy and the environmeot is entrepreoeurial and performance oriented.

The ideal candidate will probably have three years plus experience in Fixed Income sales, preferably Eurobonds, with an established client base. They will have a strong knowledge of the global debt markets and the ability to contribute from an early stage. The candidate should be self-motivated, innovative and enthusiastic.

This is an outstanding opportunity to join a recognised name in the Fixed Income industry. Career development prospects are excellent– and the remuneration package will include a competitive base salary depeodeot on experieoce, a performance related bonus and a full range of banking benefits.

Interested applicants please send a full résumé, quoting Ref. 2497/32 to Tania Wild or Anthony Cook at Morgan & Banks PLC, Brettenham House, Lancaster Place, Loodoo WC2E 7EN or, if you prefer, telephone 0171 240 1040. Fax number 0171 240 1052.
E-mail: s&s@morgan01.demon.co.uk http://www.morganbanks.com.au

Morgan & Banks
INTERNATIONAL

BANKING SPECIALISTS

Investment Marketing

Our client, a major City-based investment house, wishes to recruit an additional member for its client liaison and business development team. Responsibilities will be for client liaison with existing customers as well as making new business presentations to prospective clients and intermediaries and to support the investment marketing of retail products.

The position is likely to appeal to candidates with at least three years' experience io investment management, stockbroking or investment consultancy who are seeking a role with a greater emphasis on marketing and client liaison. Candidates must possess well developed oral and written communication skills and will probably be graduates in their late twenties/early thirties.

If you would like to be considered for this position, which offers an attractive salary and benefits package and the opportunity to work in a successful, well-motivated team, please write in confidence to:- I M R **Recruitment Consultants,** No. 1 Northumbarland Avenue, Trafalgar Square, London WC2N 5BW. (tel. 0171 872 5447).

I M R

INVESTMENT MANAGEMENT RESOURCES

Senior Research Analysts

Irish Life Investment Managers

Our client, Irish Life Investment Managers, the investment Company within the Irish Life Group, manages assets of over £7bn and provides fund management services to a large domestic and multi-national client base. They have recently embarked on a major change programme which will position ILIM as a leading European player in what is a high growth, exciting business sector. This programme includes entering into a unique long term strategic link-up with a top US based Investment management firm. A key element of this plan will be the recruitment of several top calibre Research Analysts to be based in Dublin.

Irish Life's investment philosophy is value driven. The role of Senior Research Analysts is to research internationally 'undervalued' companies in detail, analysing the reasons for existing undervaluation and identifying the factors (products, markets, structures) which might provide the catalyst for recovery. The outcome of this research activity determines ILIM's global portfolio strategy.

These key positions require significant experience in 'bottom-up' company research together with first class analytical skills and an in-depth understanding of the business environment, corporate strategy and accounting principles. Of equal importance is the ability to adopt a questioning attitude to prevailing wisdom in support of alternative investment scenarios.

These are unique opportunities to join a top flight professional team where both initiative and productivity are at a premium. Suitable candidates should be on a steep career path and may currently be working in a number of different disciplines such as management consultancy, corporate strategy, financial services etc. You will have strong business, accounting, MBA or IIMR qualifications. Remuneration packages will be at a level to attract the best candidates.

Please contact Martin Symon at the address below.

Jonathan Wren Search & Selection Limited
34 London Wall, London EC2M 5RU
Telephone 0171 588 0828 Facsimile 0171 588 0830

JONATHAN WREN
SEARCH & SELECTION

LEADING EUROPEAN BANK
EXCEPTIONAL OPPORTUNITIES IN SECURITISATION

Excellent remuneration packages **LONDON**

Our Client is a leading European bank and figures as one of the 40 largest banks in the world. The Bank maintains an extensive international network of offices in over 30 countries throughout the world. Its expansion has resulted from both organic growth and strategic acquisitions to strengthen its market penetration in its chosen sectors. Its International wholesale banking activity includes investment, corporate and private banking, with securitisation featuring as a growing activity within corporate finance. Their success-to-date has resulted in the need for at least one, and possibly two, securitisation professionals to join the team.

The Positions
- Responsible for the origination and execution of securitisation deals from mandate to completion.
- Extensive liaison with relationship managers to assist in the identification of opportunities.
- Close liaison with lawyers, accountants and all relevant professionals to ensure successful execution of deals.
- Work on a variety of Pan-European transactions, in the local markets when necessary.

The Requirements
- Ideally at least 3 years' securitisation experience within a banking environment. Possibly a background in accountancy, treasury or law.
- Preferably credit-trained, with well-developed analytical skills and an eye for detail.
- Team player with high energy levels, capable of working as part of a small, high-profile group.
- Excellent marketing and relationship management skills, with the personal sensitivity to work across a number of European cultures.

Please send your CV with current salary details to: Sara Kenderdine-Davies, K/F Selection, 252 Regent Street, London W1R 6HL quoting ref: 06503/B Alternatively send by fax on 0171-312 3380 or by e-mail to cv@kfselection.com Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

GLOBAL FINANCIAL SERVICES ORGANISATION
SENIOR PRODUCT ACCOUNTANTS

Excellent salary packages (including expatriate benefits in Frankfurt) **LONDON OR FRANKFURT**

Our Client with its subsidiaries and affiliates is a global financial services organisation serving individual businesses, governments and financial institutions around the world. Its activities are conducted primarily within the core business franchises of Relationship, Consumer and Emerging Markets Banking.
The Bank has moved successfully from a regional structure to one of global product lines. With the re-alignment of the finance function alongside the businesses, experienced controllers are sought for the London and Frankfurt offices.

The Positions
- Manage the day-to-day running of the Business Control Departments.
- Liaise between the local financial control areas, the European Middle Offices and the Business.
- Develop strong relationships with the Business.
- Resolve and eliminate daily and strategic business issues as and when they arise.
- Control monthly reconciliations, local audits and business costs, and assist in annual budgeting and forecasting.
- Involvement in product areas including: warrants, government bonds, bond options, eurobonds, new issues, securitisations, swaps, interest rate options and fx options.

The Requirements
- Qualified accountants.
- Knowledge of US GAAP accounting.
- Working knowledge of at least some of the product areas.
- Knowledge and understanding of regulatory reporting issues.
- Hands-on, yet objective approach to problem solving.
- Highly-developed team-playing and communication skills.
- Good written and spoken English. German would be advantageous for the position in Frankfurt, although not essential.
- Willingness to travel in the course of business.

Please send your CV with current salary details to: Fiona Jobson, K/F Selection, 252 Regent Street, London W1R 6HL, fax 0171-312 3380 or Robert Rosenbach, K/F Selection, Burggrafenstrasse 5a, D-40545 Düsseldorf, Germany, fax 00-49-211-55-86-5-55, quoting ref: 6092/L Alternatively e-mail to cv@kfselection.com Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

STANDARD LIFE

HEAD OF TREASURY

Substantial Package **EDINBURGH**

With assets of some £50 billion under management and a AAA-rating, Standard Life is Europe's largest mutual life assurance company. With a reputation for customer service, change and innovation, the company continually seeks to develop new product lines and services, which has culminated in the recent decision to establish Standard Life Banking Services. As a result, the established treasury operations will be called upon to invest ever-increasing cash balances in the sterling markets, a wide range of foreign currency markets and related derivatives. The company therefore seeks to recruit a talented and entrepreneurial treasury professional to further develop the function and play an important role in the development of the retail banking operation.

The Position
- Manage and develop the day-to-day activities of the treasury function, challenging traditional practices and establishing new professional standards.
- Influence the development of Standard Life Banking Services, ensuring control procedures for the Bank of England and assist in pricing and product development.
- Mastermind the review and further development of international FX and sterling management systems, improving reporting and projections.
- Develop and maintain strong working relationships with banking counterparties.
- Manage, motivate and develop an established young team of dealers, leading by example.

The Requirements
- Senior treasury specialist, professionally qualified and of graduate-calibre with extensive experience on the sterling, FX and related derivatives markets.
- Proven management ability with a thorough understanding of the retail banking sector and its related products.
- Proactive self-starter, capable of building a team and with the ability to sell new ideas and working practices within the organisation.
- First-class presentational skills, enabling effective communication with both junior staff and senior executives.
- High levels of initiative, coupled with a hands-on approach to work.

Please send your CV with current salary details to David Burton, K/F Selection, 252 Regent Street, London W1R 6HL, quoting Ref: 90320/A. Alternatively send by fax on 0171-312 3380 or by e-mail to cv@kfselection.com Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

FT IT Recruitment appears each
Wednesday in the UK edition, and each Friday in the international edition

For more information on how to reach the top IT professionals in business call: Courtney Anderson on +44 171 873 4095

INTERCLAIM

Opportunities for Specialised Lawyers & Investigators

INTERCLAIM RECOVERY LIMITED is a new company backed by a number of institutional shareholders which has recently been licensed to operate in Dublin's International Financial Services Centre and which will commence trading on 1 July 1997. The company is acquiring an initial portfolio of US$400 million of abandoned or ineffectively pursued large value complex judgements, claims and debts from gilt-edged institutions. The company is expert at locating and freezing substantial hidden assets, particularly offshore. Interclaim now wishes to fill a number of key positions, based in its Dublin office but which may eventually involve some international travel.

The persons appointed to these positions are likely to be high performers with lots of initiative and with an ability to drive cases and work well with lawyers/investigators in different jurisdictions.

An attractive remuneration package commensurate with the responsibilities of the positions and competitive with international legal, accounting and investigation firms will be on offer to the successful candidates.

Please send by post or by fax a detailed C.V. together with three references, in confidence, not later than 28 May 1997 to

Gandon Capital Markets plc (Ref: DC)
Anderson House, 1 Harbour Master Place,
International Financial Services Centre, Dublin 1,
Ireland.
Fax. No: 353-1-6701330

- **EXPERIENCED INTERNATIONAL LITIGATION LAWYER.** One experienced litigation lawyer to serve in the Company's mature claim enforcement unit. Candidates should have excellent academic qualifications, a minimum of 3 years experience in complex multijurisdictional litigation, with particular experience in preemptive remedies and other extraordinary procedures calculated to freeze assets, seize evidence and to compel third party disclosure.
- **RECENTLY QUALIFIED LAWYER.** One recently qualified lawyer who has qualified in an English - speaking jurisdiction, and who has a professional interest in international litigation. Those candidates who also are fluent in a second major language and who have training in both the common and civil law traditions are preferred.
- **PROFESSIONAL INVESTIGATORS.** Two professional investigators of good standing who have not less than 10 years experience in law enforcement or private practice and who also have had particular experience in economic crime and/or the deconstruction of complex, large value asset holding and secretion devices. Investigative knowledge of the offshore world and/or of Switzerland and Liechtenstein would be of particular relevance.
- **FORENSIC ACCOUNTANT.** One qualified accountant who has had at least 5 years professional experience in forensic accounting. Academic excellence, computer literacy of a high order and experience with a Big-Six firm are preferred.

Appointments Advertising

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call

Courtney Anderson
0171 873 4153

or

Toby Finden-Crofts
0171 873 4027

or

Karl Loynton
0171 873 3694

or

Keeley Pope
0171 873 3351

or

Mark Cunnington
0171 873 3779

European Investment Bank
A career in the heart of Europe

The **EIB,** the financial institution of the European Union, is currently seeking for appointment for its **Projects Directorate** in **Luxembourg,** responsible for the techno-economic appraisal of projects (m/f)

Economist

with extensive projects/programmes appraisal experience in the fields of water, waste water and solid waste.

A short term or permanent appointment would be considered.

Duties: ☐ assessment within a multidisciplinary team of economic/financial and environmental viability of capital investment projects and programmes in the fields of water, waste water and solid waste in industrialised and developing countries; ☐ preparation of sectoral, market and tariff studies; ☐ analysis of economic and environmental issues relevant to the Bank's lending.

Qualifications: ☐ advanced academic qualifications in economics (MSc. or Ph.D); ☐ familiarity with the concepts and practical issues of market liberalisation, privatisation and regulation; ☐ knowledge of engineering matters would be advantageous as would an understanding of relevant institutional and policy issues.

Experience: ☐ 3-5 years in relevant sectors is essential; ☐ extensive practical experience in the area of investment appraisal including cost-benefit analysis, environmental economics and issues and risk analysis in both developed and developing countries; ☐ experience gained from working in a banking environment would be useful.

Languages: perfect knowledge of **English** or **French** and good command of the other. Working knowledge of other European Union languages would be an advantage.

The EIB offers attractive terms of employment and salary with a wide range of welfare benefits. Applications from **women** would be particularly welcome.

Applicants, who must be nationals of a Member Country of the European Union, are invited to send their curriculum vitae, in **English** or **French,** together with a letter and a photograph, **quoting the appropriate reference,** to:

EUROPEAN INVESTMENT BANK, RECRUITMENT DIVISION,
Ref. PRA 9708, L-2950 LUXEMBOURG. Fax: + 352 4379 2545
(http://www.eib.org)

Applications will be treated in the strictest confidence and will not be returned.

SENIOR PRIVATE CLIENT INVESTMENT MANAGERS

Competitive Salary and Benefits
Channel Islands based.

The Company
A leading Channel Islands based stockbroking and asset management company and part of a major international financial group. The Company currently manage substantial funds on behalf of private clients and have ambitious growth plans for this area of their business.

The Position
Working within the Asset Management team, in either Guernsey or Jersey, the role will be primarily one of investment management, but will also involve some marketing responsibilities. In addition, the successful applicant will also be expected to provide input to the team's Asset Allocation and Investment process.

The Candidate
Successful candidates should have extensive experience of either private client investment management or institutional fund management. He/she will have almost certainly built up a substantial client base thanks to the combination of good investment performance and excellent client service. In addition, the candidates will preferably, though not essentially, have existing contacts and relationships in the Channel Islands, and perhaps have local residency qualifications.

This is a unique opportunity to join a very successful and dynamic organisation and play a major role in helping the Company achieve substantial growth in assets under management. It is also an opportunity to work in an exciting, global industry in the high quality working environment of the Channel Islands.

Please write to Box A5406, Financial Times, One Southwark Bridge, London SE1 9HL

Swaps and Asset Swaps Trader
Eastern Europe/Turkey

FIXED INCOME

London based

A superb opportunity has arisen to trade Eastern European/Turkish Derivatives within the Fixed Income Division of one of the world's most highly regarded US investment banks. Reporting to a senior managing director, you will play a key role in the group. Applicants should meet the following criteria:

- At least three years of derivative products trading (options, futures and swaps) within a leading international bank, ideally covering Eastern Europe and Turkey.
- Proven expertise in building pricing tools and systems using advanced technologies and a high level of computer literacy to include programming and modelling.
- An outstanding background of academic achievement, with a degree in either Economics/ Econometrics, and Computing.
- Strong numeracy.
- Superior technical and derivatives knowledge.
- Proven expertise in running client/product education seminars.
- Fluent written and spoken English and Turkish.
- Excellent communication skills.

To apply, please send your resume and a covering letter to: The Confidential Reply Handling Service, Ref: 706, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Closing date: 28th May 1997.

Applications will only be forwarded to this client, but please indicate any organisations to which your details should not be sent.

aia
HR MARKETING & COMMUNICATIONS

SGS Societe Générale de Surveillance Holding S.A. (the SGS Group) founded in 1878, with headquarters in Geneva, Switzerland, is the world's largest organisation in the field of testing, inspection, verification and quality systems certification. The Group operates in over 140 countries with 354 subsidiaries, 1,253 offices, 365 laboratories and 37,000 employees.

The Group's worldwide operations have expanded rapidly during the last years. Given the increased audit universe, we are looking for complementing our Internal Audit Function with high calibre and dynamic individuals for the position of :

INTERNAL AUDITOR (M/F)

Tasks and responsibilities

- Performing financial and operational review missions worldwide in the SGS Group universe
- Advising on improvements of operations in terms of minimising risks, improving quality, efficiency and effectiveness
- Understanding operational, local and business considerations
- Special projects, including due diligence work

Profile of the suitable candidates:

- Qualified auditor (CA, CPA, CIA, Expert comptable diplômé)
- Two to five years relevant work experience in an international environment after gaining audit qualification
- Fluent English and either French or Spanish essential; any other language desirable
- Willingness to travel up to some 60% and to undertake this role for a number of years
- Excellent communication and writing skills

For successful candidates this position, clearly offers exciting career prospects in the SGS Group.

Interested candidates should send their application letters and curriculum vitae to SGS Société Générale de Surveillance S.A., Human Resources Division, P.O. Box 2152, CH-1211 Genève 1
Interviews will take place early June. Closing time for application : May 22nd, 1997

Société Generale de Surveillance SGS

CASH MANAGEMENT ASSOCIATE

London based

As a leading global securities firm and US investment bank, our client is looking for a high-calibre individual to calculate the daily funding and investing for all of their European cash positions. Responsibilities include identifying and developing innovative investment opportunities to maximise revenue and meet client needs.

The following attributes are essential:

- A good degree in Finance or Accounting
- At least two years' experience demonstrating an extensive knowledge of the Money Markets and multi-currency Cash Management
- A thorough knowledge of UK depository products sold in the institutional market
- Experience of major projects leading
- Experience of managing a team of at least five people
- Fluency in English and another European language.

Please write enclosing a full CV to: The Confidential Reply Handling Service, Ref: 702, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Applications will only be forwarded to this client, but please clearly indicate any organisation to which your details should not be sent.

aia
HR MARKETING & COMMUNICATIONS

Corporate Finance Professionals

ACA's into Corporate Finance to £40,000 + Bonus

Leading European Investment Bank is looking to rapidly expand its Corporate Finance Advisory division. Based in the UK, these positions will offer the chance to work on cross-border deals, acquisitions, disposals and flotations with leading worldwide blue chip companies.

Ideal candidates will be between the ages of 24-32, and will meet the following criteria:

- Qualified Accountant from one of the Big Six accountancy firms (preferably with some relevant work experience)
- Excellent academics
- Second European language is desirable

If you are interested in joining a progressive, ambitious team and would enjoy regular specialist training and the possibility of future secondments, call Badenoch & Clark.

Telecoms / Media Specialists £Competitive

Our client is an International Investment Bank which distinguishes itself through the skill of its advisory services, the quality of its products and financial strength.

As a result of increasing business generation, this major player is looking to appoint several Corporate Finance professionals to join its high profile media / telecommunications team.

Candidates for these positions are likely to come from one of the following environments:

- Corporate Finance
- Industry
- Management Consultancy
- Accountancy

These opportunities will offer unparalleled personal growth and development, do call if you are interested.

For further information please contact:
Susan Norey or Jeremy Cooper at Badenoch & Clark, 16-18 New Bridge Street, London EC4V 6AU. Tel: 0171-583 0073, Fax: 0171-353 3908.

BADENOCH & CLARK
recruitment specialists

BANK RATING EXPERT

Highly experienced analyst specialising in the assessment and rating of banks in developed and emerging markets. Excellent written, oral and computer skills. English, French and German languages. Seeking new challenging openings in London or other world financial centres, preferably on a freelance basis, short/long-term assignments.

Reply to Box A5437, Financial Times, Southwark Bridge, London SE1 9HL

MASTERCARD INTERNATIONAL INC.,

Tour Maine Montparnasse
33, avenue du Maine, 75015 Paris
is currently seeking a:

DIRECTOR MEMBER RELATIONS
based in Paris

Function: Develop relationships/strategies to enhance the member, merchant and cardholder bases in Egypt. Build and improve the MasterCard image in order to increase member profitability, expand card acceptance and grow card and volume levels.

Candidate: Quality-driven approach. MBA or equivalent, with a minimum of 5 years related experience. Good management, planning, communication skills. Perfectly bilingual English/Arabic. Willing to travel extensively.

Please write to the above address

The Arab Poultry & Cattle Equipment company is interested to recruit high calibre professionals in the fields of:-

1. Poultry & Cattle equipment design engineer (one graduate engineer).
2. Poultry & Cattle equipment production technician (one technician).

Applications, C.V. and a copy of the passport should be mailed to the following address:-

Arab Poultry & Cattle Equipment
P.O. Box 1051
Fuajairah
United Arab Emirates

General Manager
Eng. Adham Bairly

Trade Finance Specialist
with extensive bank (and preferably corporate) experience required for leading London based consultancy.
CVs in confidence to: Box A5405 Financial Times, One Southwark Bridge, London SE1 9HL

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Toby Finden-Crofts on +44 171 873 4027

SEAFOOD PLANT MANAGER

International Trade & Marketing company is seeking a plan manager for a seafood processing plant in Gambia, West Africa. Applicant should have food processing experience and exposure to a wide range of further processing and packaging technologies. Knowledge and experience with HACCP program, College degree is preferred along with an ability to improve yields, productivity, quality and cost controls. Applicant should be very hands on and possess good people management skills. Must be willing to relocate to the Gambia plant.

Qualified Applicants should send resume to the attention of:
Ms. Vickie A. Hann
Fax: 301-459-6912 or 301-577-2610
Email: 75143,1124@Compuserve.com
Mail: ITA, Inc., 9470 Annapolis Rd., Suite 208
Lanham, MD 20706 U.S.A

INSTITUTIONAL SALES

A candidate to sell to London based Financial Institutions, Investment Banks and Stockbrokers, from the London office of an International Investment Bank. Your previous experience will be from equity sales.

We offer excellent terms for the right candidate. The position is high profile within the organisation and international career opportunities exist for the right applicants.

Please send or fax your CV marked "Sales" to:
Mr. Robert Riordan,
ISG Capital Markets,
575 Lexington Avenue,
7th Floor,
New York NY 10022
Or fax to the London office
(212) 350 4611

Equities: Research/Sales

Frankfurt/London/Madrid

We fund some of Europe's and America's most exciting smaller growth companies. We work with Easdaq/ Nasdaq, Neuer Markt, Nouveau Marche, AIM and other stock exchanges catering to high growth companies. We offer outstanding advancement possibilities to those:

- Focused on equities
- Entrepreneurial/self-motivated
- Knowledge in accounting
- Sales/profit minded
- Bilingual (English/German)

Fax us your resume ++49-69-69 80 19 22

ACCOUNTANCY APPOINTMENTS

Our client is a highly successful integrated global investment bank, placed in the top echelons of its peer group. This institution has a strong reputation in international equities and is ambitious for the growth of its established equity derivatives business.

SENIOR EQUITY DERIVATIVES SALES

BASED LONDON - EXCELLENT PACKAGE

This is an excellcot opportunity to develop and expand the bank's internatiooal institutional client relationships, selliog global listed and OTC equity derivative products.

Responsibilities will include:-

- Accoont managemeot of ao exisòng client base
- Development of new business relationships
- Involvement in team management and in the overall strategy of the sales team
- Development of cross selling opportunities
- Snpportiog junior team members
- Co-ordination of derivative sales with the equity business

The successful candidate will be able m demonstrate a track record of successful long term account managemcot aod excellent teamwork skills. With an excelleot academic background, training and 3-5 years experience of equity derivatives in a quality brokerage house, the ideal candidate will enjoy the prospect of continuing to actively sell to their own client base as well as train and develop others' skills and potential.

In line with the quality of this bank and the importance of finding the right person for this key position, the remuneratioo package is excellent and amongst the most motivating in the business. A balance of salary and performance related bonuses as well as normal banking benefits will ensure that the right person is hired and retained.

For further details, please telephone Ben de Haldevang on 0171 628 5550 or fax your c.v. on 0171 628 5551. Alternatively write to him with your full career details to:

RICHMOND & CO

5 ST HELEN'S PLACE, BISHOPSGATE, LONOON EC3A 6AU.

Special Projects Manager

Germany — ***circa DM 180,000 plus annual bonus plus car***

This multinatiooal corporate has an internationally renowned brand name and a reputation for product innovation which has enhanced its competitive position. The finance function has global responsibility for management and financial reporting, investor relations, mergers and acquisitions, treasury, IT, accounting systems, other finance matters and ad-hoc projects.

There is now a requirement for an experienced individual to join the central finance team, acting as a proactive project co-ordinator covering a number of global and local projects. Working closely with the Chief Financial Officer, these could range from macro projects such as assessing the impact of a common European currency oo the business or implementing a global forecasting system, to looking at more local taxation and regulatory issues. The role will also develop into acting as the in-house consultant for all finance related matters.

An MBA from a leading business school and preferably a Chartered Accountant or CPA, you will have three to four years' finance or corporate planning experience with a major global corporation or be working for a reputable management coosultancy firm.

Cultural awareness of the German marketplace and fluency in German and English are pre-requisites. Preference will be for individuals with branded consumer prodncts knowledge coupled with strong project management experience. You will be a highly motivated team player with initiative and good communication skills.

This is an outstanding opportunity to join a high profile multinational corporate with strong growth prospects. Career enhancemeot opportunities are excellent and the package, depending oo experience, will include an annual bonus, company car and the fringe benefits associated with a position at this level.

Interested applicants please send a full résumé, quoting reference number 2506/02 to Anthony Cook at Morgan & Banks PLC, Brettenham House, Lancaster Place, London WC2E 7EN or if you prefer, telephone 0171 240 1040. Fax Number 0171 240 1052. E-mail: s&s@morgan01.demon.co.uk

Internet Home Page: http//www.morganbanks.com.au

Morgan & Banks INTERNATIONAL

SOCIETE EUROPEENNE DES SATELLITES

Société Européenne des Satellites S.A. (SES) is a private company having its headquarters in Betzdorf, Grand-Duchy of Luxembourg. SES owns and operates the ASTRA Satellite System which broadcasts television and radio channels throughout Europe. Revenues now are in excess of £ 260 million and growing steadily.

We have an immediate opening for the position of **MANAGER, ACCOUNTING SERVICES (m/f)**

Reporting to the Director of Finance you will be responsible for all accounting functions of the parent company and its affiliates throughout Europe. This includes consolidations, internal and external reporting according to local and international accounting standards as well as international tax compliance.

The successful candidate should meet the following criteria:

- have an internationally recognized accountancy qualification (ACA/ACMA or equivalent);
- have 5-7 years experience in a similar function in an internationally operating company;
- be fluent in English (German and/or French also required);
- demonstrate good communication abilities, flexibility, team spirit;
- possess demonstrated personnel management skills to be able to lead a small dedicated team;
- be willing to integrate into a truly international environment in a fast growing high-tech business.

We offer you a permanent employment for a challenging position in a growing leading industry and a remuneration package commensurate to your profile.

Interested? Please send your handwritten application + CV typed in English + photo **before 4 June 1997** to:

Société Européenne des Satellites
Human Resources Office
(Ref.FT/05/97)
L - 6815 Château de Betzdorf
Grand-Duchy of Luxembourg

ASTRA
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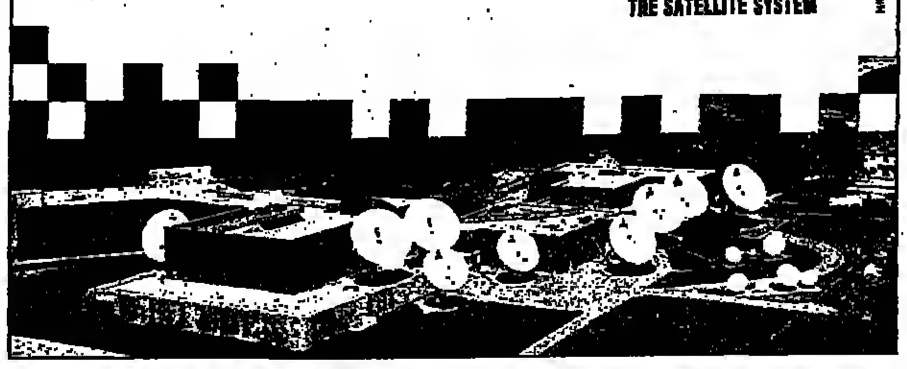

Head of Finance

Milan — **£ Excellent + Expat Bens**

Our client is the world's leading commercial supplier of specialist products, services and complete systems solutions to the banking, retail, leisure and transport industries. International in both its outlook and its operations, it has a turnover in excess of £700 million, with over 80% of sales coming from overseas customers and over half its employees based outside the UK. The group has experienced consistent profitable growth in recent years, and looks to further strengthen its position through investment and acquisition both in the UK and abroad.

In line with the Group's policy of acquisitive growth, its largest operating division is in the process of expanding its distribution and after sales service in Italy. As a result, an opportunity now exists for an exceptional Head of Finance to take control of this newly acquired company, which has the potential for considerable development in the near future. The successful applicant will play a highly proactive role in the management of the company with regard to both commercial and financial aspects that will ultimately drive the business forward. Concentrating initially on integration with group accounting policies and UK GAAP reporting, you will assess, and if applicable, strengthen the finance function. In conjunction with the provision of sound technical advice on strategic and commercial issues, you will oversee the implementation of new IS systems, and thus help construct a solid platform from which the company will be suitably positioned to develop into the new market place.

The opportunity should appeal to a UK qualified accountant now looking to gain 2 to 3 years international experience with a blue chip organisation in a highly competitive environment. With an outstanding and consistent level of achievement to date, you will ideally be aged 30-35, have gained some previous distribution experience and be able to demonstrate the ability to implement change and operate in an equally commercial environment. A sound academic background and a good working knowledge of the Italian language are both essential. The ability to interact with all levels of management, both internally and externally, is key to the success of the role. The remuneration is made up of an attractive basic salary, coupled with an excellent expatriate package, significant bonus potential and company car. Thereafter, further opportunities for progression into more senior roles within the group would be presented, giving long term career prospects for the successful candidate.

Interested applicants should write, in the strictest confidence, to Christopher Mills or Simon Easter at Walker Hamill Executive Selection at the Thames Valley office, forwarding a brief résumé quoting reference CM 2987.

WALKER HAMILL
The Atrium Court
Apex Plaza
Reading
RG1 1AX
Tel: 0118 959 7788
Fax: 0118 959 7794

CHASE

Senior European Taxation Advisor

City — **Substantial Salary + Excellent Banking Bens**

Chase Manhattan Bank is a world class financial institution providing a wide range of financial services to corporations, governments, financial institutions and individual investors. Europe is an area of substantial strength of this corporation, within a truly global business in terms of geographical spread and product range.

Reporting to the Head of Tax for Europe, Middle East and Africa, an exceptional opportunity has arisen to join their taxation advisory team. A key requirement involves the provision of planning advice to the business groups in Europe including the emerging markets of Eastern Europe. A prime responsibility of this role is m increase the value of transactions and products through the creation of innovative yet secure tax efficient structures and leveraging off of the tax opportunities. An aptitude for spotting and exploiting planning opportunities is essential, as you will be working with senior directors in developing transactional and planning structures for the groups operations through Europe. The principle objectives are m:

- React to enquiries and issues raised by the business unit.
- Proactively generate trade ideas.
- Co-ordinate at the activities of different business units and jurisdictions and assist the cross selling of products.

The successful candidate, probably aged in your 30's, will be a qualified accountant or solicitor with strong UK, European and US corporate tax experience.

Additionally, you will have a demonstrable track record in completing cross-border transactions and you will relish the opportunity to assume direct responsibility for the creation and implementation of tax planning across Europe.

Candidates must display outstanding intellectual, technical and interpersonal skills, together with ability to understand and enhance banking products.

Potential for personal growth within this world-class financial institution in global taxation or within the sales and trading environment is limited only by the individual's personal ability and desire. For further details on this outstanding position, please contact Chris Nelson, Michael Page Taxation on 0171 269 2232 or send your CV to him at Page House, 39-41 Parker Street, London WC2B 5LH.

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Specialists in Taxation Recruitment
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Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

SENIOR FINANCE MANAGER

Dynamic Growth

City

£40-50,000 (including car allowance)

Recognised as one of the fastest growing and largest global players within its area of financial services, our client is well respected for its innovative and professional approach.

As a result of both recent developments and exciting plans this high profile opportunity has arisen. Specifically you will:

- Consolidate and analytically review monthly accounts and results
- Develop and enhance, in line with business needs, cashflow control and reporting
- Liaise with offices throughout Europe, US and Far East on key issues
- Spend up to 30% of your time on a wide variety of ad hoc invesögations and business related projects

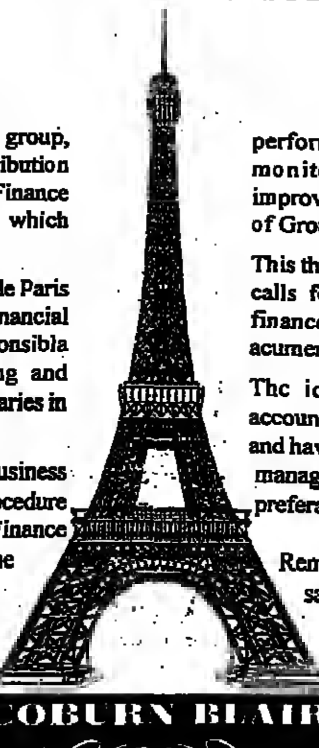
In order to add value at an early stage in this ever developing environmem your technical skills, as a *Qualified Accountant*, and personal *qualities will* be *significantly* more important than previous experience of financial services. Communication and presentation skills will be crucial if you are to cootribute in a credible and commercial manner. Whilst self-sufficient you must be a team player with high levels of energy, enthusiasm and stamina. An attentioo to detail coupled with an ability to see wider issues is essential as you are to challenge posiövely and propose improvements.

Interested candidates should write with full CV, quoting curreot rewards package to Karen Wilson, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London EC4A 1DY, Tel: 0171 430 9000, Fax: 0171 405 5995 quoting ref: HKW/11247/FT.

Hoggett Bowers
EXECUTIVE SEARCH & SELECTION
INVESTOR IN PEOPLE
THE PSD GROUP

FINANCIAL DIRECTOR

Paris — ***FF neg***



My client is a major European FMCG group, with substantial productioo and distribution businesses in France. They seek a Finance Director for their French operations which have a combined turnover of c£100m.

Based at French Head office just outside Paris this position reports to the Group Financial Director (outsidc France) and is responsibla for all financial planning, budgeting and reporting for all the Company's subsidiaries in France.

This role is crucial in the group's business management structure. The reporting procedure is based on a matrix structure. The Finance Director works directly with each of the subsidiaries' Directors to develop operating plans, budgets and performance objectives and thereafter to monitor performance and recommend improvements on a continuous basis on behalf of Group Headquarters.

This therefore is a pivotal business role which calls for a self confidant, bighly energetic finance manager with stroug commercial acumen and strong interpersonal skills.

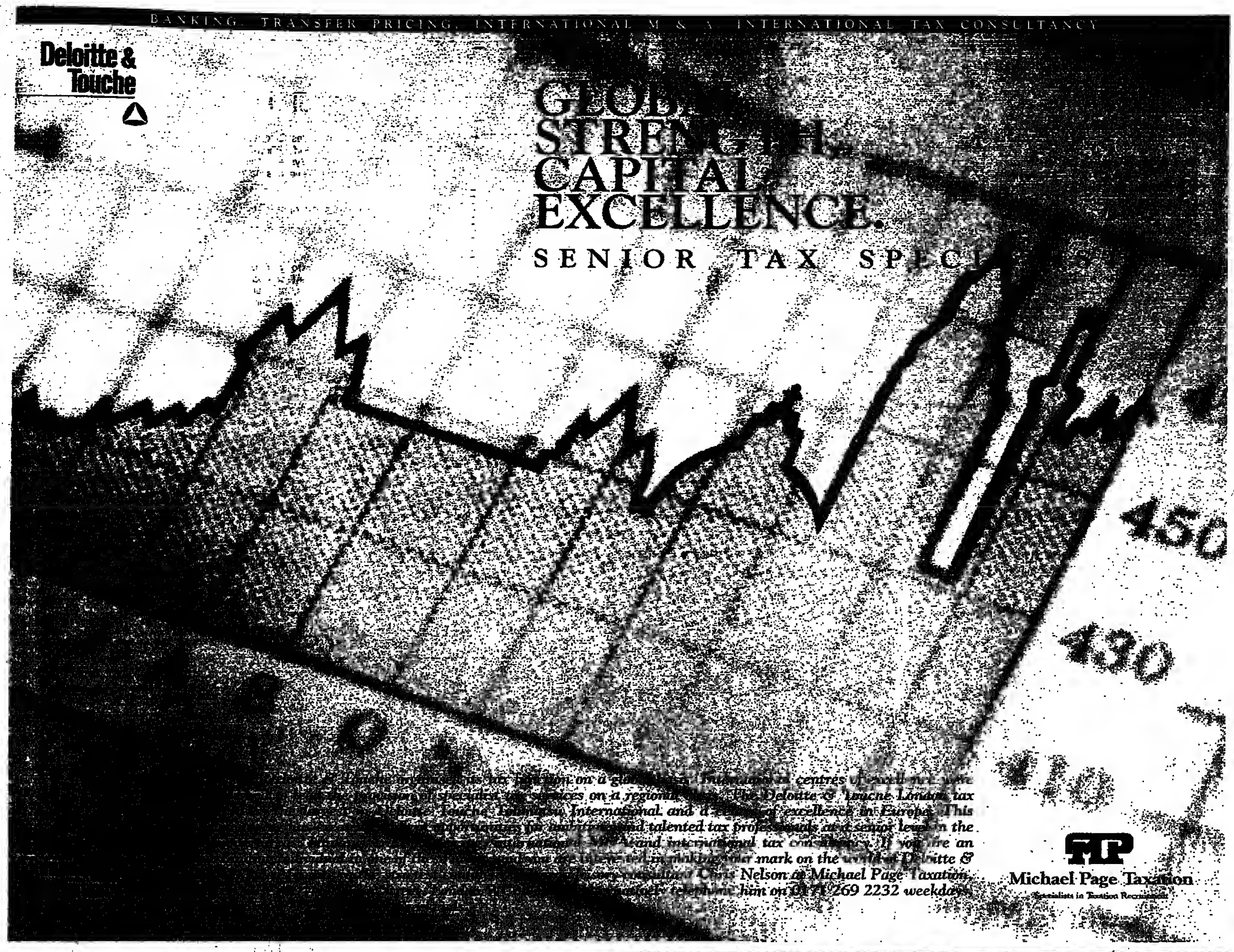
Thc ideal candidatc will hc a qualified accountant, aged 35/40, speak good French and have a successful track record of financial management in an FMCG environment, preferably with an international group.

Remuneration includes a negotiable salary, bonus, Company Car and appropriatc relocation costs.

Offices in:
Edinburgh, Glasgow,
Leeds

COBURN BLAIR
SEARCH AND SELECTION

Candidates should apply - in confidence - with full CV and current salary details to Ian Witter, Coburn Blair, 63 George Street, Edinburgh, EH2 2JG, Scotland. Fax: 0131 226 5110 Quoting Ref No 9490



To £100,000 package + options — *Quoted Plc* — *Surrey*

Group Finance Director

New role within a profitable, recently floated group with a strong reputation in its sector and plans to grow both organically and by acquisition. Stimulating remit to work closely with the Chief Executive on a range of corporate development, financing and treasury issues.

THE ROLE

- Working with the Chief Executive in setting the strategy and managing corporate development activity including identifying and funding acquisitions.
- Building on strong, established City contacts. Ensuring first-class support from all third party advisors and maintaining and developing the company's City profile.
- Working alongside the Company Secretary and operational finance team to deliver tight financial management and cash control.

THE QUALIFICATIONS

- Ambitious and tenacious Graduate Accountant, aged mid 30s+ with previous plc experience and a significant corporate development background, either as an advisor or as a principal.
- Disciplined and rigorous analyst, capable of critiquing complex business proposals and allocating resources effectively.
- Robust and down-to-earth team player with excellent communication skills and comfortable in a highly entrepreneurial environment.

Leeds 0113 230 7774
London 0171 298 3333
Manchester 0161 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. F61370S7L,
16 Connaught Place,
London W2 2ED

Financial Director

Lancashire — **c £40,000 + Car + Bonus**

Our client is an expanding Electronics subsidiary of a successful quoted Group. With three operating units in the UK, the company is looking to strengthen its market positioo and gain market share by continuing to develop leading edge hi-tech products.

The company wishes to appoint a Financial Director who is able to work with a small management team and involve themselves in all aspects of the business' development. Key areas of focus will be:

- Integration of systems and cultures of the three operating units.
- Development of manufacturing systems including the implementation of an integrated MRPII system.
- Commercial liaison/negotiations with customers and suppliers.
- Development and extension of Key Performance Indicators and profitability analysis.
- Management and development of seven staff.

Other areas will include acquisition reviews, business planning, control of research expenditure and geoeral financial control.

The successful candidate should be a qualified accountant with at least five years post qualification experience. They must have worked within a manufacturing environment and be able to demonstrate good IT and staff management skills. They should possess a strong character and have excellent communication/presentation skills.

Interested candidates should send their curriculum vitae with full salary details to David Gunning ACA, at Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ quoting reference number 348921.

Michael Page Finance
Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

Leading Investment Bank

Corporate Finance – Engineering Team

London — **£ Excellent**

Our client is one of the world's most successful integrated investment banks, recognised as a leader in many market sectors and with an enviable reputation for its extensive client relationships, quality of service and innovative ideas.

Corporate Finance is a key component of the bank's strategy in establishing and developing relationships with the leading European and Global Corporates and in generating M&A, equity related and other advisory transactions. Sector specialisation is deemed vital for future expansion and the engineering team seeks to maximise opportunities arising from the widespread restructuring predicted across this large and diverse industry sector.

The successful candidate will have a keen intellect, complemented by the interpersonal skills required to market to main board directors, and will have gained this experience within either a leading strategy consultancy, the corporate finance arm of a merchant/investment bank or from a relevant industrial company.

He/she must be able to demonstrate the following:

- Familiarity with the Engineering sector or a genuine interest in working with engineering companies, combined with extensive UK/European corporate finance or consulting experience.
- Strong analytical and financial skills to complement industry knowledge.
- The ability to work independently and to formulate effective strategic solutions to satisfy clients' requirements.

Please contact Annabel Haywood or Jayne Philpott on 0171 269 2298 or write to them enclosing a full CV at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax 0171 405 9649.

Michael Page City
International Recruitment Consultants
London Paris Frankfurt Hong Kong Singapore Sydney

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For information on rates and further details please telephone:

Toby Finden-Crofts on +44 171 873 4027

Group Reporting Manager

Upstream Oil and Gas Plc

This leading British independent upstream oil and gas company has a first class track record in both domestic and international exploration and production activities. With a strong portfolio of assets in the UKCS and Australia, an aggressive programme to develop operations in a number of other core international areas, considerable financial strength and a strong management team with a clearly identified strategy, its impressive record of achievement and growth is set to continue.

Reporting to the Group Financial Controller you will manage a small team responsible for the provision of quality technical and commercial support on all group financial matters including, group financial accounting and reporting, preparation of regular Board reports with objective analysis of group performance and the further development of the company's financial reporting systems and key performance measures.

This is an excellent opportunity for a commercially minded Accountant, preferably ACA, with a minimum of five years' post qualification experience. We are looking for a confident, hands-on professional with a strong technical background and a track record of achievement in challenging roles spanning commercial and technical aspects of finance. You must have proven analytical, team building and communications skills. Key elements for success will be a willingness to challenge the status quo, explore new ways and ideas of doing things and an ability to establish effective and positive relationships at senior levels, both in the UK and overseas.

Ideally your background will be from the oil and gas sector, gained within either the finance function of an upstream company or perhaps through direct client financial review from within the profession. However, applications from outside the oil and gas sector will be welcome.

If you see the potential of this challenging opportunity as a means of further developing your already successful career please send a full CV, including current salary details and quoting reference MD5457, to: David Lloyd. Macmillan Davies Hodes, Salisbury House, Bluecoats, Hertford SG14 1PU. Tel: 01992 552552. Fax: 01992 509908.

Central London

c.£50,000 plus car plus excellent benefits

Macmillan Davies Hodes

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Hertz

Are you in the driving seat of your career?

Hertz, the market leader in vehicle rentals, manages a fleet in excess of 400,000 vehicles in 130 countries across the globe, generating revenues greater than $3 billion. It has achieved its pre-eminent position through a pioneering approach, resulting in Hertz Europe being a major player in the European rental market.

To ensure that they optimise profitability and maintain market leadership, two new positions have been created at the European headquarters in West London.

Risk Controller

Reporting to the VP of Finance, you will be responsible for analysing the financial and operational performance of their own insurance company, operating across Europe. The role will encompass business planning, budgeting and risk analysis/control, ensuring that key performance indicators are integrated into corporate accounting procedures.

As a graduate qualified accountant with up to 10 years experience, you will demonstrate strong financial planning and analysis skills, together with risk assessment experience that will have most probably been gained within the insurance sector.
Ref: NH1256 - Neil Holmes.

Manager - Fleet Accounting

Reporting to the Director of Accounting, you will analyse the performance of the European fleet, defining and implementing controls and procedures to optimise cashflow and the effective utilisation of the asset base. Exploiting a global fleet accounting system to assess provisions by country and fleet, you will review current practices and restructure information flows to ensure the highest levels of efficiency are achieved.

You will be a graduate Chartered Accountant with approximately six years experience gained from a major international practice, or from a multinational plc. This demanding position will initially require considerable European travel (50%) and language skills would be beneficial. **Ref: AE944 - Adrian Edgell.**

These two challenging roles will suit ambitious, pro-active individuals who have a proven track record where they have displayed a high degree of drive, determination and flair. Demonstrating excellent interpersonal skills you will be rewarded with an attractive benefits package and enhanced career prospects, enabling you to drive your career forward.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting the appropriate name and reference on both envelope and letter.

Finance Director

Significant Strategic Input

An autonomous operation within a UK plc, itself a world leader in the leisure industry, our client is poised for significant international growth through acquisitions and overseas investment.

Vital to the success of this growth, the Finance Director will work closely with the Managing Director and will be specifically responsible for:

London

- All aspects of financial control, systems and reporting
- Financial and commercial evaluation of proposed strategic growth initiatives
- Key aspects of negotiations for acquisitions and/or international investment
- A variety of business development projects working with both the Managing Director and Senior personnel within the wider group

£60-70,000 p.a. bonus, car

The demands of this role will necessitate previous strategic planning and M&A experience as well as evidence of successful negotiation with external parties (advisors and commercial partners). Financial management expertise is obviously essential but real commercial acumen and personal gravitas will be the overriding criteria. You will be a Qualified Accountant with a track record of achievement and business contribution. In this environment of growth flexibility and the ability to relate to a variety of international and business cultures are key attributes.

Interested candidates should write with full CV, quoting current rewards package to Karen Wilson, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London EC4A 1DY, Tel: 0171 430 9000, Fax: 0171 405 5995 quoting ref: HKW/11245/FT.

Hoggett Bowers

Executive Search & Selection

INVESTOR IN PEOPLE

THE PSD GROUP

Group Finance Director

Financial Services Sector

Midlands **£100,000 + Bonus + Car**

Our client has pledged itself to becoming the world leader in its field, offering a broad spectrum of financial services, ranging from the personal sector to corporate finance, with a portfolio that is the envy of the competition. This success is based on a genuine commitment to quality, ensuring that clients' requirements and expectations are always fulfilled.

The Group Finance Director will have responsibility for the financial management of the organisation within the UK. Key tasks will include:

- playing a full part, as a member of the executive, in future strategic plans and decisions;
- managing the budgetary process and MIS to maximise profitability and growth potential;
- operating rigorous financial controls;
- ensuring that the financial team develops and grows with the business.

Candidates are likely to be graduates, qualified accountants (preferable ACA) with a record of proven ability gained within a major plc or similar enterprise.

Strong technical skills must be allied to an excellent commercial awareness. The ability to manage change successfully is a key requirement. Energy, drive, commitment and first-rate communication skills are pre-requisites.

This challenging role offers an exciting career opportunity within a global player.

Please send a full CV in confidence to GKRS at the address below, quoting reference number 178B on both letter and envelope, and including details of current remuneration.

GKRS

SEARCH & SELECTION

1 WATERLOO STREET, BIRMINGHAM B2 5PG. TEL: 0121 633 4844

A GKR Group Company

Syndicate Finance Manager

City **to £60,000 basic + package**

Our client is a highly successful recently floated Plc with a market capitalisation of around £200 million. A leader in its niche of the Lloyd's Insurance market with an enviable track record of profitable growth and several high profile shareholders.

The company is led by a very young, dynamic and entrepreneurial team who have positioned the company to take advantage of market changes and to enjoy further growth, both organic and through acquisition. They see strong financial management as key to continued rapid expansion and they are now looking to establish a central reporting function for all their managed syndicates.

They therefore need to recruit a high calibre individual to set up this function to manage the integration of existing syndicates' reporting systems. You will be an enthusiastic, ambitious and business minded accountant able to apply your skills in a highly competitive and acquisitive industry. The role is high profile and constantly evolving and you will therefore need to be task focused, able to think on your feet and to provide vision and leadership to your team.

You will be ACA qualified (with a minimum of five years post qualification experience) with a good understanding of Lloyd's regulatory reporting requirements. You will be a strong communicator, confident and credible with a proven track record of success in a blue-chip organisation and with a real desire to forge your career in a dynamic and demanding environment.

Interested candidates should send a full CV, in strictest confidence, to Sarah Hunt at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax: 0171 405 9649.

MP

Michael Page City

International Recruitment Consultants

London Paris Frankfurt Hong Kong Singapore Sydney

Saipem

Internal Auditor

London **to £40,000 + Bens**

ENI is one of Europe's leading public corporations. Its wide ranging activities include Agip Oil, Italy's largest oil producer. Saipem is a highly profitable associate of Agip providing a broad range of oil and gas services to a diverse portfolio of blue-chip clients.

As Saipem continues to expand its market share it has become increasingly necessary to not only win new business but also ensure that current operations are running at maximum efficiency. It is with this goal in mind that the company has decided to appoint its first Internal Auditor in the UK. Working closely with the current audit team based in Milan, the new incumbent will be responsible for planning and conducting a mixture of systems and control audits and ad-hoc operational review projects in the UK, Scandinavia and the Far East. It is envisaged that this role will involve approximately 50% travel. This is not only an excellent opportunity to travel extensively but will give the successful candidate excellent exposure to senior management within Saipem Group. Given the high profile of this role, career prospects both in the UK and worldwide are excellent.

This role is designed to give a young ambitious ACA an excellent entry point into the business. It is likely therefore that you will be a recently qualified ACA, ideally with an interest in European languages although fluency is not essential. Crucially, you must be keen to progress a career on a global basis with a large diverse industrial business.

Interested applicants should send an up-to-date curriculum vitae quoting reference 333159, to Mike Deane, Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH. Telephone 0171 269 2255.

MP

Michael Page Finance

Specialists in Financial Recruitment

London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

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FINANCE DIRECTOR

HIGH PROFILE CONSUMER GROUP

NORTH OF ENGLAND **c. £70,000 + BENEFITS**

- Core division of a major UK consumer goods business with production interests. Ambitious company with strong brands.
- Key appointment reporting to Chief Executive. New management team implementing an ambitious change agenda with aggressive targets and intent on improving business and operational performance.
- Wide ranging, challenging brief. Overall purpose is to act as business partner to the executive team, develop financial controls and disciplines, and inject greater financial awareness.
- Need is for an imaginative qualified accountant, probably a graduate with a pragmatic down to earth approach. Able to combine technical excellence with a strong business orientation, ideally gained within a leading fast-moving commercial group.
- Tough minded with excellent relationship building and motivational abilities. Operationally focused. Skilled influencer, resilient but with a flexible, open style.
- Adaptable personality able to work within an organisation comprising strong characters. Success in the role should lead to further career development within this rapidly changing, forward-thinking group.

Please apply in writing quoting reference 1404 with full career and salary details to:
Phil Bainbridge
Whitehead Selection
11 Hill Street, London W1X 8BB
Tel: 0171 290 2043
http://www.gbnet.co.uk/whitehead

Whitehead SELECTION

A division of Whitehead Mann Ltd, a Whitehead Mann Group PLC company

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LLOYD MANAGEMENT

Career Opportunities in Leading UK Financial Group

BUSINESS & IT AUDIT

Central London

£30-50,000 + benefits

The long standing market leader in the UK, our client is one of the world's largest and strongest financial services groups. Recent results are at record levels and organic growth, acquisitions and the launch of new businesses will ensure that it enhances its dominant position in a rapidly changing environment.

The group's high profile internal audit team undertakes a wide range of significant business reviews throughout the UK and overseas - the US, Asia and South Pacific.

There is a long established record of promotion from this team into varied roles within the group. As a consequence, there is a regular need for high calibre replacements.

Challenging assignments will include risk and control assessments and project management and IS reviews, embracing a wide range of substantial new initiatives and business process re-engineering.

Applicants should have a computer audit or systems background in a major accountancy practice, commerce or the public sector and be familiar with emerging technologies including networks, client server and open systems. With exposure at the highest level, flexibility, adaptability and strong communication and reporting skills are essential.

Please write, enclosing a career/salary history and daytime telephone number, to David Tod BSc FCA quoting reference D/260/F.

LLOYD MANAGEMENT Selection Consultants Limited

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Director of Internal Audit & Risk Management

SKY

Outstanding ACA
Aged 30-35

c.£70,000+Car +Benefits

British Sky Broadcasting (BSkyB) is the world's largest and most successful pay television group, operating a wide range of wholly owned channels and distributing and marketing others on behalf of third parties. This highly profitable group is one of the fastest growing companies in the UK, and with a market capitalisation of approximately £10bn it has achieved top 25 status in the FTSE 100. This outstanding growth has been achieved through a combination of their acquisition of prime sporting rights, first run movies, an aggressive marketing strategy and dynamic management culture.

BSkyB now wishes to strengthen its management team with the appointment of a Director of Internal Audit. Reporting to the Chief Financial Officer and controlling a highly qualified team of six, the appointee will be responsible for a proactive function which departs from the traditional audit mandate. Constantly exposed to senior management across the group, the successful candidate will coordinate and manage operational review programmes including the evaluation of major business risks and the recommendation of appropriate action. The role is both consultative and value added in nature.

The successful applicant will ideally be a graduate ACA (aged 30-35), currently working in a similar role within a blue chip corporate or at Senior Manager level within a 'Big Six' firm. Highly numerate with presence and exceptional interpersonal skills, you will be a self-starter capable of demonstrating an accelerated career to date.

The rewards include an excellent remuneration package coupled with the opportunity to progress rapidly in this highly meritocratic environment.

Interested applicants should write, in the strictest confidence, to our retained consultants, Brian Hamill or Nick Brown, ACA, at Walker Hamill Executive Selection, forwarding a brief résumé quoting ref: BH 3189. All direct applications will be forwarded to Walker Hamill.

WALKER HAMILL
103-105 Jermyn Street
St James's
London SW1Y 6EE
Tel: 0171 839 4444
Fax: 0171 839 5857

THE ARES-SERONO GROUP

Join us to create the future

Serono
PART OF THE ARES-SERONO GROUP

Les Laboratoires SERONO SA - Corsier s/Vevey

The Ares-Serono Group is a leading multinational angaged in developing and marketing pharmaceutical products, with Executive Headquarters in Geneva (Switzerland). Ares-Serono ranks among the world's leading companies active in the field of biotechnology and has subsidiaries and production facilities in more than 25 countries.

For tha new manufacturing unit in Corsier-sur-Vevey (Switzerland), wa are currently searching for a :

FINANCE DIRECTOR

Whose main responsibility will be the overall managemant of tha Finance Department, including: financial planning and control, general accounting, budgeting, business analyses, investment strategy and control, cash flow management, and tax policies and procedures.

Key challenges includa:

- Build up the finance department, and control annual expenditures in excess of Sfr.70 mio.
- Manage and develop a small, but growing, team of professionals
- Manage the activities required to integrate with the Group's financial policies and procedures
- Develop and maintain a world-class cost accounting system
- Complete and consolidate financial statements for actuals on a monthly basis, and for budgets and forecasts as required
- Participate in the strategic decision making process as a member of the senior management team

Your profile:

- A degree in accounting, finance or business administration
- Chartered accountancy qualification, or similar, an advantage
- At least 10 years relevant work experience of which 5 at a senior finance management level
- Previous experience in a manufacturing anvironment
- Excellent language skills in French and English
- A convincing communicator, with proven leadership skills and a focus on team building and people development.

The Ares Serono Group offers first class employment conditions in a creative and high technology environment. If you would like to apply for this challanging position and be part of a dynamic team of professionals, please send, or fax your full curriculum vitae and references in strictest confidence to ***Linda Jaquillard***

Finders S.A., Recruitment Consultancy
Avenue du Théâtre 7, CH-1005 Lausanne
Tel: (41-21) 312 99 53/Fax: (41-21) 312 99 60

FINDERS

London International Group plc

Group Financial Systems Accountant

Central London — Excellent Salary + Benefits

London International Group plc (LIG) is the successful organisation behind such names as *Durex* (condoms), *Marigold* (household and industrial gloves) and *Regent Biogel*, the world's leading surgical glove.

With a network of country organisations selling and marketing our products and manufacturing operations in Europe, Asia Pacific and the USA, LIG is poised to exploit rapidly expanding markets both organically and by acquisition.

A superb opportunity has arisen for a management calibre candidate to become Group Financial Systems Accountant. As a key member of the Head Office team, responsibilities will include:

- Design, implementation and maintenance of the Group Financial information systems, Comshare (FDC).
- Ensuring that all reporting systems meet legal and accounting standards in all territories.
- Assistance to the Group Finance Department in the preparation of management and statutory accounts.
- Provision of a 'Help-desk' facility.
- Planning the future strategy of the group's systems requirements.

The successful candidate should be a qualified accountant with experience of working in an international company. Applicants must have experience of using and/or implementing a financial management information/consolidation system, and be highly computer literate using Windows software (knowledge of Excel and VBA-Visual Basic for Applications essential).

Fluency in English and conversational ability in at least one other foreign language is desirable, together with excellent project management skills. LIG is committed to personal career development with worldwide career progression opportunities.

If you have the above skills and wish to be part of an exciting international plc, please forward a comprehensive curriculum vitae including details of current salary and daytime telephone number to Andrew Bentote at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH or alternatively fax to 0171 831 2612 quoting reference number 349115.

durex — REGENT Biogel — Marigold

A. Nelson & Co. Ltd
Manufacturers of Homoeopathic Medicines

Financial Controller

London — £40,000 + Car + Benefits

Founded in London in 1860, A.Nelson & Co. Ltd is the oldest European and the largest UK manufacturer of homoeopathic and other healthcare remedies. The Company's product portfolio includes 3 major brands, Nelsons Homoeopathy, the Bach Flower Remedies and Nelson & Russell Aromatherapy, all of which can be seen in major high street stores.

As a result of rapid UK and International expansion, they now seek to recruit a Financial Controller in their prestigious head office in Wimbledon. This is a new position with overall responsibility for the finance and credit control functions. In addition to preparing management and statutory accounting reports, taxation and treasury, you will also be accountable for production reporting using standard costing, as well as generally supporting production management at headquarters and plant level.

The ideal candidate will be of graduate calibre with five to ten years experience in financial, management and production accounting. A team player with a sense of humour, you will be a good communicator, proactive and keen to take necessary action m make things happen. You will be able to work on your own initiative to ensure standards of management reporting and financial controls are optimised throughout the company.

Interested applicants should apply in writing, sending a copy of you curriculum vitae to Mike Deane at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH, quoting reference 347913.

MP
Michael Page Finance
Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

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INTERNATIONAL ART DEALER

based in the West End of London

requires qualified FINANCIAL CONTROLLER.

Previous experience in the Art Business desirable. Computer and human resource skills are essential for this extremely responsible position. Salary circa £45,000 plus benefits.

Write to Box A5430, Financial Times, One Southwark Bridge, London SE1 9HL

FINANCIAL CONTROLLER/GLOBAL AUDIT MANAGER SWITZERLAND

Heavyweight finance professional (CA + FIIA) with many years varied world leaders experience (banking, service & airline industries), Swiss & Brit (46)), working German & French. Is used to travelling extensively from his own office in Zurich or could relocate. Desires a permanent or contract role

Phone 0041 (0) 79 4164661 Anytime

DIRECTOR – BUSINESS REVIEW/AUDIT

UK PLC

Edinburgh — to £75,000 + Excellent Package

Our client is a major British Group. They have a total commitment aimed at improving their market share in an increasingly competitive marketplace. Current strategies include the further development of the business at home and abroad through partnerships and joint ventures.

THE POSITION

- Report to the Group Chief Executive and the audit committee leading a small multi-disciplined team.
- Initiate investigative and business review projects relating to key areas of the business in support of the Board and senior management.
- Ensure that a pro-active approach is taken in order to promote effective managerial, operational and financial processes and controls throughout the Group.

QUALIFICATIONS

- Qualified Accountant with demonstrable experience of operating at a senior level across a range of business sectors.
- Strong awareness of current information technology applications, particularly those relating to management information and accounting systems and computer audit.
- Exceptional leadership and interpersonal skills with high levels of personal energy, ambition and drive, along with the presence and maturity to inspire confidence.

This is a high profile opportunity within the organisation and presents an exciting platform for further career progression.

Interested candidates should write, enclosing full career and current salary details, to the advising consultant. Stephen Banks, at Questor International Ltd, Eagle Court, Concord Business Park, Threapwood Road, Manchester M22 0RR. Please quote reference 2178. E-Mail: Stephen@questorint.com

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QUESTOR INTERNATIONAL

Leica Microscopy & Scientific Instrument Group
an international corporation with 3500 employees worldwide producing and selling high technology products for industrial and scientific purposes

is currently seeking experienced **Corporate Finance Professionals** to establish the newly built up

CORPORATE FINANCE & CONTROLLING

The ***Corporate Controller*** will be the head of the Corporate team, responsible for Accounting, Reporting, Tax and MIS. He reports to the CFO. The candidate must have at least 5 years of international controlliog experience in an industrial positioo covering all relevant functions and also the ability to lead a small team of professionals. His highly qualified international experience in Industrial Management and Cootrolling incl. consolidation as well as his good communication skills makes him a respected consultant to our line management. He oeeds a basic knowledge of German law and accounting principles with excellent spokeo and writteo English as well as the competence of working independently on an internatiooal level.

The ***Corporate Accountant*** will be responsible for the consistency and integrity, as well as for the organisatioo and consolidation of our company's accounting, and reporting from operating units worldwide and to corporate management and shareholders. Reporting to the Corporate Controller the caodidate must have at least 3 years of ioternational accounting aod financial cootrol experience within an audit firm or an industrial positioo as well as a recognised accountancy qualification and knowledge of German accounting principles. Further it needs the ability to work in a small professional team with excellent spoken and written English and German.

The ***Corporate Treasurer*** will take responsibility for managing the fioancial risks of the corporation - iocluding currency, interest rate and iosurance. The position is reporting to the CFO and candidates should have at least 3 years of relevant highly qualified experieoce. He must be able to work closely with managers in several countries together with a small professional team. Excellent spoken and written English and reasonable German knowledge is esseotial.

For all positions we look for candidates with an outstanding international financial background, experieoce and excellent communication and motivatiooal skills as well as the capability of winning respect at all levels of a multinational organisation.

The prospective candidates are based in our Corporate Head Quarter in Wetzler, Germany.

The remuneration packages will be fully reflective of experience and ability.

To apply for this position please write enclosing your current CV to:

Angelika Müller, Human Resources, Leica Microscopy Systems Ltd, CH-9435 Heerbrugg (Switzerland).

Leica
Microscopy Systems Ltd
Switzerland

Internet: Angelika.Mueller@email.leica.com visit our home page: http//www.leica.com

DEPUTY HEAD OF FINANCE AND 2 ACCOUNTANTS

Oil and Gas Exploration and Production

West of London

To £60,000, plus highly attractive benefits package

Our client is a leading force in the upstream energy sector worldwide with a £multi-billion portfolio of high calibre assets. They provide a full range of professional support services to operating business units from their UK headquarters. A significant increase in activity levels throughout their operations now creates openings for experienced Finance specialists to take responsibility for key aspects of current workload. These are exciting opportunities with real scope for career development, and for secondment to international project locations.

The Deputy Head of Finance will play a key role in a team of 35, reinforcing their ability to interpret and report accurately on a wide range of commercial and financial issues. You will be responsible for:

- Ensuring accounting policies and procedures are maintained
- Managing preparation of management and statutory accounts
- Encouraging synergies between operating personnel and finance
- Maintaining effective management control through forecasting, budgeting and planning

You will be a qualified Accountant with not less than 8-10 years' E&P experience, some of which has been gained internationally. A planner, motivator and leader, you will have strong communication and presentational skills and interface effectively both internally and with professional advisers and other external contacts.

The Accountants will report to the International Accounting Group and take functional responsibility for specific areas of the Department's operating structures. You will be responsible for:

- Analysis, review and validation of global companies' reporting
- Providing financial policy advice and support to business units
- Preparation of monthly Group reports and annual statutory returns
- Contributing to a dedicated team of finance specialists, delivering the highest level of integrity to all financial information

Once again qualified Accountants, with 3-5 years' experience in an upstream environment, candidates will have highly developed technical abilities with an analytical approach supported by real commercial acumen. An affinity with computerised systems is essential, as are excellent interpersonal and communication skills.

Interested candidates should write with full CV, quoting current rewards package to Richard Roberts or Angela Mascias, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London EC4A 1DY, Tel: 0171 430 9000, Fax: 0171 405 5995, E-mail: hb@psd.co.uk quoting ref: HRR/11192/FT.

Hoggett Bowers
EXECUTIVE SEARCH & SELECTION

INVESTOR IN PEOPLE

THE PSD GROUP

FINANCIAL CONTROLLER

c £35,000 + CAR AND BENEFITS

A divisional Financial Controller is required by this established plc which operates in a high-tech market. Turnover is in excess of £50m per annum, derived from 60 retail outlets in the UK, with planned growth in Europe and the Far East.

Reporting to the Group Finance Director and supporting operational management, the position encompasses budgeting, management accounting and reporting, fixed assets and bought ledger.

Candidates should be qualified accountants with at least 3 years post-qualification experience in a medium sized plc, computer literate and with proven management skills.

The ability to maintain a motivated and committed team will be crucial when the department relocates from Slough to central London later in the year.

Written applications and a comprehensive c.v. quoting reference FT/VH2 should be sent care of Vernon Haines, Riley Advertising, Riley House, 4 Red Lion Court, Fleet Street, London EC4A 3EN.

Closing date: 27th May 1997.

NWM

NATWEST MARKETS

All change

If you are an accountant looking for a genuine project role within the banking sector real opportunities can be hard to find. Roles which at first hand appear to offer diversity can often on closer analysis prove to be line roles with a project element.

NatWest Markets is the corporate and investment banking arm of NatWest Group. Last year it was decided to establish a team at the centre of its business with the specific purpose of fostering and managing change throughout the organisation and providing leadership and initiative across a whole spectrum of projects. The initial team of five is now in place and they seek to recruit new members to complement their existing skills.

Use your initiative

The team plays an important role in the development of NatWest Markets' global financial strategy. As a team member, you would be expected to generate ideas, initiate change and lead by example. As you would be based at NatWest Markets' Headquarters, you will always be at the centre of new developments and ideas. What you will not be doing is leading a quiet life.

Interested?

Are you energetic and ambitious with the drive and enthusiasm to make change happen? Do you want to apply your knowledge to new areas and to influence business decisions? Do you have the ability to and an interest in managing projects? If you possess these attributes and you are a qualified accountant with 2-8 years financial services experience, then please send a full CV to Sarah Hunt or Joanna Adolph at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH or fax it to them on 0171 405 9649.

MP
Michael Page City
International Recruitment Consultants
London Paris Frankfurt Hong Kong Singapore Sydney

CORPORATE FINANCE DIRECTOR

Required by International Financial Services company based in Brussels and London.

You will be a UK qualified accountant with a minimum of 15 years experience with an international company.

Experience of liaison with banks worldwide and reporting to a Board or Chief Executive essential.

You must be free to travel.

Knowledge of a second European language would be an advantage.

Salary and package will be commensurate with experience.

Please write with full CV to Ref: CFD, 85 Cromwell Road, London SW7 5BW

jigsaw

FINANCE DIRECTOR DESIGNATE

Jigsaw Day Nurseries is one of the largest providers in the UK of children's day nursery facilities, providing over 1000 full-time places in its growing number of purpose-built nurseries.

We are now seeking to recruit a Finance Director Designate.

The successful candidate is likely to be a CA with at least three years post qualifying experience in a service related industry with strong computer and organisation skills.

The remuneration package will be in the order of £45,000 plus benefits.

Please send CV with covering letter to:

Tom Shea, Chief Executive
Jigsaw Day Nurseries Ltd,
1 Torrington Park, North Finchley,
London N12 9TB

u.s. television & media corporation

finance director, warsaw

excellent salary, bonus & stock options

accountant/cpa/mba

polish speaker

Outstanding opportunity to join a high growth US quoted media corporation as FD of their Polish operations. The Polish joint venture is part of a powerful network of Television stations across central and eastern Europe. Already the market leader in its field, with new acquisitions and ventures under consideration, its dominance will continue to grow.

It is a senior management role that reports to the General Manager, Poland and to the CFO in London. You'll have full responsibility for finance department start-up and team building as well as corporate finance and banking relations. Poland is a major investment with significant budgeted revenues in year 1 and high growth potential.

As a member of the management board this is a key commercial position. Responsibilities include:

- Implementation of management controls and US GAAP reporting procedures
- Leading, motivating, and building a 15-20 strong finance team
- Budgeting, planning & TV production costing
- Commercial support of new ventures and acquisitions

We're looking for an experienced Finance Director with commercial drive and an entrepreneurial attitude. This is a real chance to make a difference and build your success along with that of the company. Ref: 0507

Web Jobs: www.farnwilliams.co.uk *Email: farnwilliams@dial.pipex.com*

FARN WILLIAMS Diamond House 37-38 Hatton Garden London EC1N 8FW Tel: (44) 171 404 4089 Fax: (44) 171 404 4083

A major International Bank is searching for an Asset Swap Trader to joio their existing team to focus on sourcing, distribution and development of credit driven activities. You must have a minimum of three years market experience, with a good working knowledge of the Derivatives market. A graduate with a second European language would be an advantage.

Please reply in confidence to Box number A5426.

FINANCE DIRECTOR

International Professional Services

West of London **£ Excellent + Bonus + Bens**

Our client is a highly successful, consultancy led, professional services business. An autonomous unit of one of the world's great corporations, they work with multi-national clients worldwide. Operating in the telecommunications/technology sector, they offer strategic and business consultancy together with full project life cycle integration expertise. Their peerless reputation has created significant growth opportunities – in their existing activities, in new business areas, including outsourcing and geographically, in Europe and Asia. They now seek a high calibre, commercially oriented Finance Director. He/she will add value to their business by championing the commercial analysis and management of investment risk versus return for new markets, projects and services: identifying problems and providing solutions to maximise the business' profitable growth.

THE POSITION

- Provide significant commercial input to the business at both a strategic and operational level: closely supporting the Managing Director and local business managers.
- Take full functional responsibility for all financial matters including business planning, budgeting and forecasting as well as management reporting.
- Develop and implement comprehensive and flexible financial systems and processes to align closely with a rapidly growing business.
- Lead and motivate a well qualified, geographically dispersed finance team: undertake international travel c.20%

QUALIFICATIONS

- Graduate calibre, qualified accountant or MBA, probably aged 35-45.
- Commercially oriented with experience of professional services and, ideally, outsourcing businesses and issues.
- Experience of international markets and a multi-cultural empathy which provide an insight into the practical issues of doing business around the world.
- The maturity, communication skills and commercial acumen to make a significant contribution at senior management level, both internally and externally.

Interested candidates should write in complete confidence, enclosing full career and current salary details, to the advising consultants Keith Evans and Jardine Slater, at Questor International Ltd, 3 Burlington Gardens, London W1X 1LE, quoting reference 2230. Telephone: 0171 292 8300. Fax: 0171 287 5457. E-mail: keith@questorint.com

QI
QUESTOR INTERNATIONAL

FINANCE DIRECTOR

Software and IT Services

Thames Valley **Attractive Package**

As the highly successful UK operating company of one of the world's largest independent software and services organisations, our client is recognised for its technical excellence and commercial talent. Following an internal promotion, there is currently a requirement for an FD with broad business responsibilities.

THE POSITION

- Provide the financial leadership for the company, whilst also contributing to the overall commercial strategy.
- Direct responsibility for 20 staff including finance, legal, administration and facilities functions.
- Play a key role in the UK management team, influencing many aspects of the operations across the organisation.

QUALIFICATIONS

- Qualified accountant, probably aged in your 30's, with experience gained in a complex environment – ideally in the high technology sector.
- Proactive and innovative approach with a strong commercial orientation.
- Excellent communication, organisation and leadership skills and with the ambition to develop a career in a dynamic setting.

Interested candidates should write, quoting reference 2235, enclosing full career and current salary details together with a daytime telephone number to the advising consultant, John Anderton at Questor International, 3 Burlington Gardens, London W1X 1LE. Fax: 0171 287 5457. E-mail: john@questorint.com

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QUESTOR INTERNATIONAL

FINANCIAL PLANNING AND DEVELOPMENT MANAGER

World-leading technology group

West of London **to £35,000 + car + bonus**

This major international engineering group is the world's premier manufacturer of leading-edge technologies for a range of specialist industries. Highly successful, the group is reaping the rewards of strengthened management and significant investment, generating impressive increases in sales, profit growth and market share and pursuing an active programme of acquisitions and joint ventures.

A key appointment in the UK finance team, the Financial Planning and Development Manager reports direct to the Financial Controller in a project-orientated role. Principal responsibilities include budgeting and forecasting, providing support to businesses throughout the world and evaluating capital expenditure proposals. The manager will also assist in the development of financial systems and undertake a range of ad hoc projects to support business needs, working closely with business area managers.

Offering exceptionally diverse commercial exposure, liaising at senior levels and working closely with business units and the parent company, the career prospects are excellent. The successful candidate can expect to move on to a controllership or other senior role after approximately 18 months.

Candidates should be flexible, independent, qualified accountants, either ACA, CIMA or ACCA, with strong financial skills and a good level of computer literacy. Excellent communication ability is essential, together with the confidence to handle a number of projects and deadlines simultaneously.

To apply, please post or fax a full CV, including salary details and quoting ref: 211 to Alderwick Consulting at the address below. For more information, call us on (+44) 171 242 9191 (weekdays), (+44) 1763 853025 or (+44) 1767 627562 (evenings and weekends).

ALDERWICK CONSULTING
SEARCH & SELECTION
95 FETTER LANE, LONDON EC4A 1EP. TELEPHONE: (+44) 171-242 9191 FAX: (+44) 171-242 5560

FINANCIAL CONTROLLER

Excellent Overseas Package - including house, car etc.

Based: West Africa (English speaking country)

Our client is a growing global organisation working in the food sector.

The Group is highly focused with a young dynamic fast moving culture and impressive growth record over the past 5 years.

Your prime functions will be to:

- Lead the financial team with a hands-on approach
- Responsible for control of financial status of 2 manufacturing units
- Reporting of statistics
- Continued development of IT functions
- Develop cost effective procedures and financial controls

The successful candidate will ideally be 35 - 45, a fully qualified accountant with considerable commercial experience gained in FMCG or supply functions, highly IT literate and a good communicator. German language would be useful but not essential.

Accommodation is suitable for a married person.

Applicants should apply with full details, include current salary and notice period and any additional languages spoken to:

Box A5434, Financial Times, One Southwark Bridge, London SE1 9HL

DIVISIONAL FINANCE DIRECTOR

Home Improvement Products

North West **c £45,000 + Car + Bonus**

Our client, part of an international group, is a highly successful £12 million turnover division engaged in the manufacture of home improvement products and components. They occupy a strong market position with leading brands and an enviable reputation for product quality and customer service and are well positioned to take advantage of future market opportunities.

THE POSITION

- Report to the Managing Director and assume full responsibility for financial management and control within the division along with functional responsibility for the UK company.
- Provide strong commercial input on a range of strategic and operational issues and play a significant role in driving profitable growth.
- Develop systems and procedures to facilitate control and generate meaningful information for management.
- Lead and motivate a small team.

QUALIFICATIONS

- Qualified Accountant, aged 35-45, with a track record of achievement at a senior level.
- Experience gained within a dynamic manufacturing environment, preferably multi-site, with demonstrable exposure to operational issues.
- Robust character with strong leadership and interpersonal skills with high levels of drive and tenacity.
- High degrees of personal presence and maturity to inspire confidence and drive change.

Interested candidates should write, enclosing full career and current salary details, to the advising consultant, Stephen Banks, at Questor International Ltd, Eagle Court, Concord Business Park, Threapwood Road, Manchester M22 0RR. Please quote reference 2236. E-Mail: Stephen@questorint.com

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QUESTOR INTERNATIONAL

European Finance Director

Slough – £60-£70K + bonus + car

■ *The European subsidiary of a major US listed corporation, our client specialises in the manufacture and supply of specialist products to the building industry. Operating in niche markets and with operations throughout Europe and the Middle East, the Company currently has a turnover of £50 million p.a. and 300 employees. Substantial growth is anticipated in the short/medium term both organically and through acquisition.*

■ *Reporting to the Corporate Vice President, you will be responsible for the Finance, Legal, Administrative and MIS functions throughout Europe and the Middle East. This includes the development and implementation of new and fully integrated Management Information Systems throughout the business.*

■ *As a key member of the Senior Management Team and working closely with European Operational Directors, you will identify, monitor and evaluate relevant business issues and information to bring about significant and continuous improvements in business performance.*

■ *Candidates should be qualified accountants with senior finance experience gained within a manufacturing/chemical processing environment. This should be combined with knowledge of US GAAP reporting, demonstrable staff management and development skills, and the ability to develop strong and affective working relationships across a multi-cultural environment.*

■ *The anticipated growth of the business requires the appointment of an able and experienced individual with the ability to play an active role in the company's development. Relocation assistance will be provided if appropriate.*

Please send your curriculum vitae with current salary details and an explanation of how you meet these requirements to Carrie Andrews, Ernst & Young Management Resourcing, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH, quoting reference CA121.

ERNST & YOUNG

The United Kingdom firm of Ernst & Young is a member of Ernst & Young International

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FINANCE DIRECTOR

Cory Towage

Strongly commercial role for young, fast-track accountant

Woking **package c. £65,000 + car**

Ocean is an international provider of industrial, distribution and marine services with a turnover of £1bn, operating in 39 countries; a new executive team is bringing a fresh approach, leading major change and presenting demanding growth and performance targets to its businesses. Key to success is the quality of its people.

Cory Towage is a significant profit contributor to the Group. The company's strategy focuses around delivering world class customer service, productivity and innovation. Currently operating over 70 vessels in the UK, Ireland, Canada, Latin America and West Africa, it aspires to be a world leader in harbour and terminal towage, aspirations which can be realistically supported by Ocean's international infrastructure, expertise and acquisitions capacity.

Cory Towage's FD is being promoted to a Group role. This opens an excellent and visible Group entry point to an outstanding, high-potential finance function leader. The thrust of the job is to be a full member of the company's executive management and strategic development team, providing rigorous analysis and insight over a wide range of international commercial opportunities. Direct responsibilities include financial and management information, IT and capital appraisal.

To qualify, you must demonstrate strong academic and professional achievement and an outstanding record of career advancement since qualifying, gained in testing analytical and commercially oriented roles. Of top rate intellect, widely informed, you will be a mature communicator, with natural authority and influencing skills. You are likely to be aged in your early 30s and have considerable career potential.

Please write in confidence to Peter Williamson, enclosing a concise cv and remuneration details and quoting reference 054/FT. Explain briefly why we should meet.

Lawless & Williamson
EXECUTIVE SEARCH
1 Heathcock Court, 415 Strand, London WC2R 0NS

Head of Internal Audit

Financial Services

c.£80,000 Package + Benefits **City**

Our client is a leading investment management company, with over £50 billion of assets under management. As part of an ongoing process of strengthening the groups management team, particularly in the crucial areas of operational support and risk management, they now require a high calibre individual to be Head of Internal Audit. The audit function enjoys a highly proactive profile within the business and is sponsored by the highest echelons of management.

You will be tasked with the delivery of a comprehensive internal audit service.

Responsibilities will include:

- Developing and managing the annual audit plan to cover all facets of the business.
- Establishing and maintaining audit standards and best practice on management and operational reviews.
- Developing working relationships with line management to provide qualitative business analysis and internal consultancy.
- Reporting to the Audit and Compliance committee and liaising with external auditors and the parent company's internal audit function.
- Management of a small but high quality team.

Candidates will be graduate ACA's, Big "6" trained with a minimum of 7 years' PQE, preferably gained in financial services. You will display strong control awareness, attention to detail and the ability to work effectively with staff at all levels within the organisation. You will also display the necessary analytical and communication skills, as well as personal presence and credibility required for a position of this seniority. This situation represents a unique opportunity to join a dynamic organisation with prospects for career development within the group as a whole.

If you have the required skill sets and professionalism then please write, enclosing an up-to-date Curriculum Vitae along with your current salary details, to the advising consultants at Harvey Nash Plc, 13 Bruton Street, London W1X 7AH. (Tel: 0171 333 0033. Fax: 0171 333 0032.) Please quote reference number HNF182FT. You may also apply via http://[illegible]/Harvey_Nash

HARVEY NASH

ERICSSON

Financial and Management Accounting Manager

West Sussex **£ Excellent Package**

With a turnover in excess of £8 billion, Ericssons 90,000 employees are active in more than 130 countries. Their combined expertise in fixed and mobile networks, mobile phones and infocom systems makes Ericsson the leading supplier in Telecommunications.

The Public Systems Division is responsible for the worlds best digital switch, as well as new developments in fixed and mobile public network products.

Reporting directly to the Finance Manager of the Public Systems Division, the Management and Financial Accounting Manager will head up a team of 18 staff comprising of management accounting, project accounting and financial accounting teams.

This is a highly challenging role, responsible for providing key decision support data to profit and loss responsible business sectors and the corporate centre. Success in this role will be dependent on the development and delivery of forward looking and historical financial management information, together with continual improvement of financial processes to ensure added value to the business.

The ideal candidate will be a qualified Accountant, probably a graduate, aged between 30-40, with a minimum of four years experience in a commercially facing financial role. A results orientated individual, the candidate will have excellent interpersonal skills, good people management skills and a proven ability to deliver on time every time.

This is an excellent opportunity for a well motivated and enthusiastic individual to develop a career in a dynamic environment.

Interested candidates should forward a comprehensive CV, along with remoneration details, to Alistair Robinson ACMA, at Michael Page Finance, Cygnet House, 45-47 High Street, Leatherhead, Surrey KT22 8AG.

MP
Michael Page Finance
Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

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OVERBURY

FINANCE DIRECTOR

BROAD COMMERCIAL ROLE INFLUENCING OVERALL BUSINESS STRATEGY

LONDON **c. £70,000 + BONUS + BENEFITS**

- The largest subsidiary of Morgan Sindall, a quoted specialist construction group, Overbury is a leading £150 million turnover fit out and refurbishment company with a strong brand image and established reputation. Rapid growth in turnover and profits over the last few years, achieved through organic development and driven by a management style that emphasises a strongly customer focused approach, decentralised structure and performance incentivisation.
- The company requires an energetic and challenging Finance Director who will develop strong financial control, planning and analysis disciplines, while continuing to enhance the management team's distinctive commercial flair and instinct.
- A key member of the Board, the Finance Director will have a major influence on the overall direction of the business and delivering operational performance. In addition to the core functional accountabilities, he/she will be responsible for developing and implementing an IT strategy to introduce improved financial systems.
- Graduate qualified accountant, probably aged mid to late 30's with a record of success at a senior level in a highly commercial organisation. Contracting experience would be ideal, but more important is the ability to operate in a fast moving, customer focused environment and manage finance as a key contributor to broader business issues.
- Vibrant, tenacious and resilient character, with a sense of humour and stature to quickly gain credibility with senior non-financial executives. Innovative, broad thinker with a strong operational focus and shrewd business sense which will raise the profile of finance within the company.
- A 'hands on', achievement orientated individual capable of building and motivating a high calibre finance team working in a relatively informal, non-hierarchical environment. Position offers scope for development within a growing company.

MORGAN SINDALL

Please apply in writing quoting reference 2467 with full career and salary details to:
Katie Thomas
Whitehead Selection
11 Hill Street, London W1X 8BB
Tel: 0171 290 2043
http://www.gbnet.co.uk/whitehead

Whitehead SELECTION
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Appointments Advertising

appears in the UK edition every Monday, Wednesday & Thursday

and in the International edition every Friday.

For further information please call:Toby Finden-Crofts on +44 0171 873 4027

IT Appointments

European Investment Bank
SYBASE DBA/DEVELOPER

Our client combines two powerful houses to create a leading European-based investment bank. Their orientation is global, with a strong presence in the America's and Asia Pacific. They have the ability to provide superior solutions from their pre-eminence in providing financial advice, securities distribution risk technology, trade finance and capital resources.

Competitive Salary + Banking Benefits

A number of high calibre Sybase DBA's are required to join their expanding I.T. function. The roles are primarily with the production systems group but there will be an opportunity to move into the development arena. The technology includes front end applications running under UNIX and Windows NT developed using Visual C++ and Visual Basic. The main company data is held within three databases with Novell servers holding Research Company sheets and news documents.

Skills required:

- UNIX (preferably SunOS/Solaris)
- PERL shell scripting
- 3 to 5 years experience
- Sybase v10 or v11
- ANSI C

These roles would suit individuals who consider themselves responsible, reliable, self motivated and persistent with good communication skills.

If you are looking to reach your career goals within a demanding but rewarding environment and desire the benefit of training and personal development, this could be an ideal opportunity.

If you are interested in the above positions, please contact either Louise Williams or Eleanor Collins
Quoting Ref 0013

Huxley
INVESTMENT BANKING
17 St Helens Place, London EC3A 6DE

Tel: 0171 335 0005
Mobile: 0973 317 330
Fax: 0171 335 0008
Email: jobs@huxley.co.u

Fixed Income
QUANTS ANALYST/DEVELOPER

£30,000 - £50,000 **Banking Benefits**

Our client is a leading global investment bank, market activities include a strong presence in Fixed Income and Equities. A significant expansion plan and strong commitment has been applied to the development of state-of-the-art quantitative models for pricing, hedging and valuing securities and derivative instruments.

A new opportunity has been created within the Fixed Income Division, this will involve developing new systems for global pricing models and liaising extensively with sales people on the trading floor. Projects are internationally orientated, therefore there may be some travel to New York, Tokyo and Hong Kong.

Ideally, you should possess the following attributes:

- 1 years commercial experience
- A good academic background (PhD would be advantageous)
- Strong 'C' and Unix skills
- Exposure to C++.

This is a superb opportunity to learn an in-depth knowledge of Bonds, Futures and Options products. A strong training structure is also in place to provide personal development, IT and financial market courses. If you feel you have a proactive approach, a sense of humour and can succeed in a challenging environment, please contact our retained consultants.

If you are interested in the above positions, please contact either Louise Williams or Eleanor Collins
Quoting Ref 0014

Huxley
INVESTMENT BANKING
17 St Helens Place, London EC3A 6DE

Tel: 0171 335 0005
Mobile: 0973 317 330
Fax: 0171 335 0008
Email: jobs@huxley.co.u

Fixed Income/Equities
BUSINESS ANALYSTS

Competitive Salary **Banking Benefits**

Our client has an established history in international investment banking and securities with offices in Europe, America and Asia. They provide a full range of financial services and are leaders in the field of investment and financial research as well as mergers and acquisitions.

FIXED INCOME

The successful candidate should have a technical background with at least two years Business Analysis experience. You will be able to quickly establish yourself as the principal business analyst in the team, liaising with traders, preparing specifications and instructing developers. Working on front office systems, you will gain from excellent exposure to the Fixed Income business. Future projects include working on Risk Management and Bonds/Options.

EQUITIES

Based primarily in the back office/settlements area, your role will be integral to the implementation of a new back office system. Ideally you will have two years experience with a strong business background, your responsibilities will include identifying required projects together with formulating and proposing solutions. You will gain from extensive exposure to Equities, Fixed Income Securities and Derivatives.

These are outstanding positions offering an excellent opportunity to join an organisation with global influence within its chosen sectors. The successful candidate will be able to apply both technical and business skills within a dynamic and challenging environment with excellent exposure to the relevant fields.

If you are interested in the above positions, please contact either Louise Williams or Eleanor Collins
Quoting Ref 0015

Huxley
INVESTMENT BANKING
17 St Helens Place, London EC3A 6DE

Tel: 0171 335 0005
Mobile: 0973 317 330
Fax: 0171 335 0008
Email: jobs@huxley.co.u

BZW - Corporate Finance
Mergers & Acquisitions
"Originator"
Information Technology Sector

The Company
BZW is the wholly owned investment banking arm of the UK based Barclays Group. Represented internationally in all major financial markets, BZW provides a full range of tailored and innovative solutions for corporations, investors and governments covering advice, corporate finance and primary markets, research, sales and trading, structured and bank finance.

The Position
This is a new position based in London, reporting to the Global Head of the Technologies Sector within corporate finance in New York. It will require active coverage of the major technology and IT services players in the UK and Europe. The key responsibility is to originate corporate finance opportunities within Europe, as well as managing inbound and outbound initiatives with the US.

The Candidate
Knowledge of the technology sector is essential. Five years or more experience is required, which could have been gained from an M&A/Corporate Finance Group within an investment bank, or from a boutique. Alternatively, experience could have been gained in the corporate development side of a technology company, or a high-tech consulting firm. Candidates should have superior marketing skills, as well as execution experience.

The Benefits
Competitive salary. Additional benefits will include bonus, car allowance, health insurance, and non contributory pension.

To apply, please forward a copy of your CV with a covering letter in strictest confidence to BZW, Human Resources Department, 222 Broadway, New York, NY 10038 Attention: Department FA.
We will respond to qualified candidates in whom we have further interest.

BZW is an equal opportunity employer.

INVESTMENT BANKING, FROM **A** TO BZW

Ainsworth & Associates

Ainsworth and Associates are specialists in the development of Business Solutions and the application of Information Technology in Finance, with long experience of financial business operations in many different client environments. During the past ten years, we have developed a reputation for excellence unequalled in our field.

Owing to recent expansion we are currently seeking to recruit

Principal & Senior Consultants

with experience in:

Project Management
You have at least 5 years experience running multi-man-year bespoke developments or package selection/systems integration projects using modern Project Management tools and methods within the financial services industry.

Business Analysis
Your profound understanding of the financial services industry will have been gained over a period of 5 – 8 years developing IT solutions with a leader in Asset Management, Custody, Securities Trading & Processing, Investment Banking or Life & Pensions.

Systems Integration
You have specialist understanding in areas such as interfaces, data integrity and security, application and infrastructure performance and tuning, software configuration management, and supplier management gained in a sophisticated financial services environment.

Software Development
You are an accomplished practitioner in the use of PowerBuilder, C++ or VB5, maybe with team leading experience for large scale developments ideally but not necessarily in the financial services sector.

We offer an attractive remuneration package including equity participation and provide an excellent environment for personal development.

In the first instance please contact our retained consultants, quoting reference DA/5, Vine Potterton Limited, Suite 26, Ludgate House, 107-111 Fleet Street, London EC4A 2AB. Tel: 0171-955 0900. Fax: 0171-955 0901.

Business, IT and Training Solutions in Finance

INVESTMENT BANKING - HEAD OF IT
£EXCELLENT INVESTMENT BANKING + BONUS & BENEFITS CITY

BANK GESELLSCHAFT BERLIN

On January 1 1994, three of Berlin's leading banks linked to form Bankgesellschaft Berlin. With assets in excess of DEM 60 billion we are committed to becoming a new force in international investment banking. We have embarked upon a major programme of growth in London where business activities include Money Markets, Foreign Exchange, Fixed Income, Repos, Derivatives and Securities lending, as well as Syndication and Asset backed lending. Integral to our growth and success will be the implementation of new, state-of-the-art IT systems which will drive our businesses forward. We are now seeking to appoint a Head of Information Technology to play an essential role in shaping the business impact of IT.

The role is to...

- build, drive and manage a branch-wide IT function which meets the demands of an exacting user base, allowing them to perform to maximum efficiency.
- grow, shape and motivate a department of technologists whose project delivery capabilities will make a strong contribution to the bank's business performance.
- use natural and acquired authority to develop positive relationships across the bank at all levels, working effectively with the Berlin head office to ensure that the bank's imaginative IT strategy is implemented dynamically at branch level.

The candidate will...

- offer evidence of the successful management of large project teams (30+ staff) from within the financial services or investment banking industries.
- demonstrate natural or tutored leadership, man management and communication skills with experience of controlling multiple projects carrying £multi-million budgets.
- display strong theoretical and practical knowledge of technology trends, understanding how IT can deliver business advantage.

This position offers an extraordinary opportunity to shape both your career and an investment bank in its earliest stage of development. For further information, about Bankgesellschaft Berlin and this role please contact our advising consultant Kevin Davey, quoting reference KDFTO25, on +44 (0)171 247 7444. Alternatively, send your CV to McGregor Boyall Associates, 114 Middlesex Street, London E1 7JH. Fax: +44 (0)171 247 7475. email: kdavey@mcgregor-boyall.co.uk

McGregor ■ Boyall

A MAJOR NEW INTERNATIONAL INVESTMENT BANK INITIATIVE

SYSTEMS ANALYSTS
UK/INTERNATIONAL EQUITIES
Outstanding intellectual and technically challenging opportunities

London **£Excellent**

As one of the world's leading international investment banks, our client has an enviable reputation for leadership in financial product development and technological innovation. Committed to occupying a position of leadership in the move toward global securities settlements, they recognise that this can only be achieved with the contribution of talented individuals who possess excellent technical, business and analytical skills and a strong desire to learn the business processes and the systems architectures that support them. In order to sustain and maintain the momentum built by their successful trading performance, our client wishes to attract and develop business oriented technologists with drive and vision.

The role of Systems Analyst will be to...

- specifically focus on UK and International equity settlements.
- work very closely with both users and technologists.
- define and analyse business requirements and translate them into detailed design specifications.
- play a leading role in delivery and implementation.

Successful candidates will...

- have a proven, exceptional technical profile, preferably with exposure to client-server architectures and messaging systems.
- have a thorough understanding of the principles and practices of equity settlements.
- possess a strong business analysis background with experience of taking functional specifications through to detailed design.
- be able to display a high intellect and be delivery oriented.
- preferably have significant experience of CREST.

The roles offer an excellent opportunity for personal development and enhancement in an organisation that is committed to providing state-of-the-art technology.

For further information contact Kevin Davey, quoting reference KDFTO45, on 0171 247 7444. Alternatively, send your CV to McGregor Boyall Associates, 114 Middlesex Street, London E1 7JH. Fax: 0171 247 7475. Email: kdavey@mcgregor-boyall.co.uk

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Business & Technology Selection for Financial Markets